

## Hungarian and Greek Voters Take a Turning to the Right

In Athens, Conservative  
Wins Ally for a Majority

By Alan Cowell

New York Times Service

ATHENS — Constantine Mitsotakis, the leader of the New Democracy Party that emerged victorious in the Greek election, won the backing of an independent centrist on Monday to secure narrow parliamentary support for Greece's first conservative government in nine years.

Most commentators agreed that the principal challenges of the new government would be to cement its power and confront a profound economic crisis. With returns completed Monday, Mr. Mitsotakis's party won 150 of the 300 seats in the Vouli, or parliament, in Sunday's election. New Democracy's principal rival, the Panhellenic Socialist Movement, or PASOK, led by Andreas Papandreu, got 123 seats. Mr. Mitsotakis champions a rightist vision of economic reform. Mr. Papandreu was a two-term prime minister.

Of the remaining seats, 19 went to an alliance of leftists and Communists and two went to Muslim candidates, representing Greece's small ethnic Turkish minority. Candidates running on a joint Socialist-Communist ticket got four seats, and an ecological movement won one.

Most significantly, one seat went to the small Democratic Renewal Party led by Kostas Stefanopoulos, and independent centrist. He pledged on Monday to support Mr. Mitsotakis and give him an absolute parliamentary majority of 151 seats.

The commentators said that Mr. Stefanopoulos's announcement came after a meeting with Mr. Mitsotakis. The announcement formally sealed the demise of what had become known as the Papandreu era—a period of Socialist fervor, decline and scandal. But some commentators said that New Democracy's one-seat majority created an uncertain margin and injected a sense of fragility into the new government.

But the Greek stock market soared by record margins after the announcement, reflecting a surge of business confidence.

Mr. Mitsotakis promised to form a government by Wednesday.

The election was the third in Greece since the collapse of Mr. Papandreu's administration last June opened an era of fragile coalitions, political juggling

See GREECE, Page 2

In Budapest, 3 Parties  
Likely to Form Coalition

By Celestine Bohlen

New York Times Service

BUDAPEST — Jozsef Antall, who is likely to be the next prime minister of Hungary, said Monday that results of the elections Sunday show that a majority of Hungarians are now ready to pick up where they left off in 1945—with a center-right coalition, bonded by anti-communism and a shared faith in Hungarian and Christian values.

"After having gone through the last 45 years," said the former schoolteacher, librarian and scholar of medical history, "the Hungarian people have cast votes the same way, which means that after several decades of dictatorship, their historical and political reflexes are not any different."

The 1945 election was the last free vote taken in Hungary before the Communist era, and it remained a touchstone for those looking to restore a brutally uprooted world.

For Mr. Antall, 58, whose father was a leading figure in the Smallholders Party, which won the 1945 election with 58 percent of the vote, the historical echo is both a political and personal vindication.

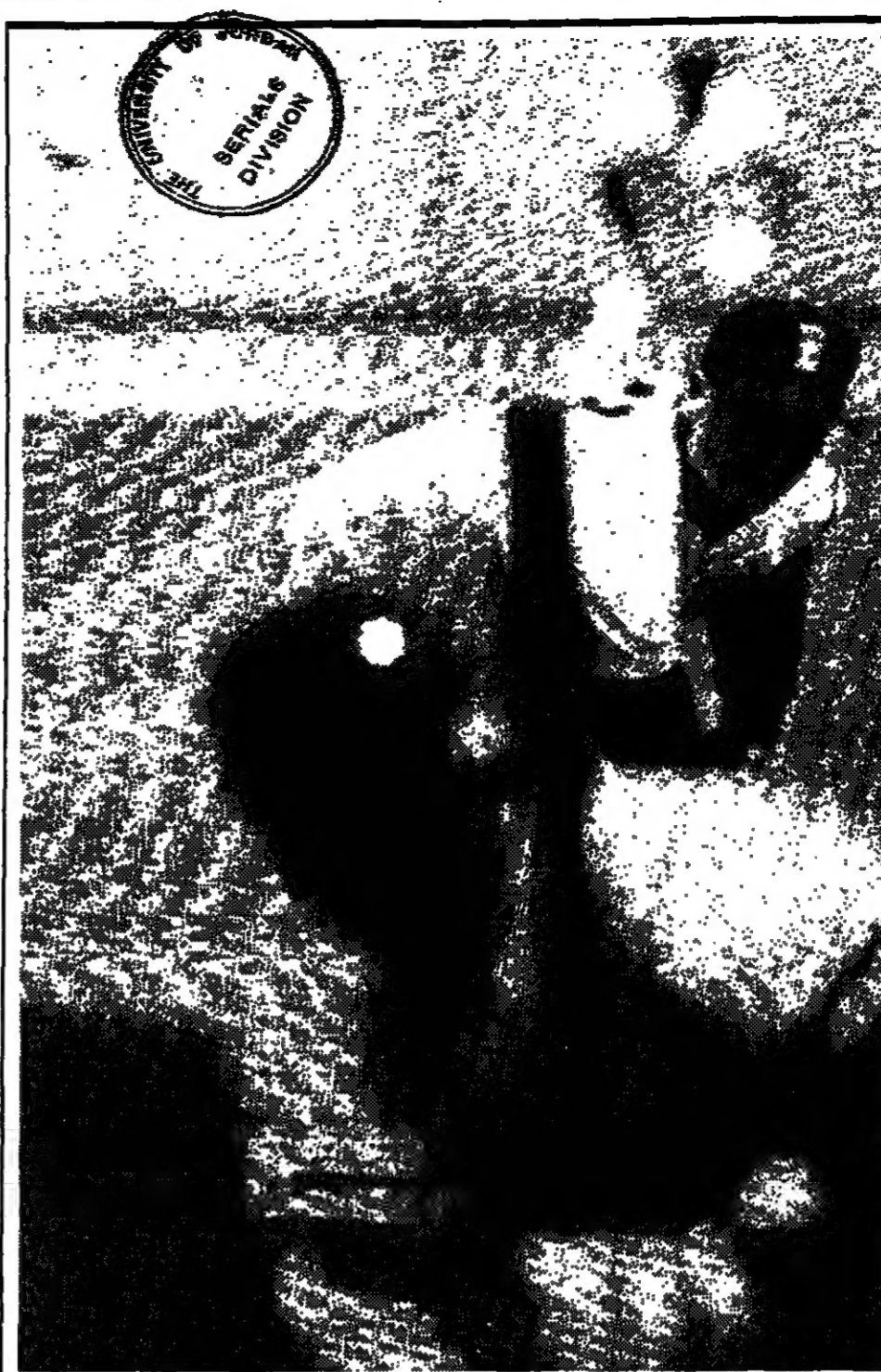
As leader of the Hungarian Democratic Forum, Mr. Antall is expected to lead a conservative coalition that will include two smaller parties, the Independent Smallholders and the Christian Democrats. This group will command more than 60 percent of the 386 seats in the new parliament, which is expected to begin work later this month.

Accepting the first congratulations of victory, Mr. Antall sounded a nationalist tone as he made a dramatic appeal to the 5 million Hungarians who live outside the country, separated by political divisions that date back to the end of World War I.

"This day means for us, we have to send a message to every member of the 15 million world community of Hungarians," Mr. Antall said Sunday night. "The Hungarian nation stands united, regardless of the citizenship some of them may have obtained in the thunderstorm of history."

Although his party, which was founded two years ago as the first of the opposition groups in Hungary, has been the popular favorite through much of the campaign, Mr. Antall frequently has found himself on the defensive. A serious, deliberate man, he bristles at criticism and like the teacher he once was, sturly

See HUNGARY, Page 2



Baseball Has a Grand Opening in Boston  
Roger Clemens of the Boston Red Sox, pitching to Tony Phillips of the Detroit Tigers, had a no-hitter until Phillips singled in the sixth inning of major league baseball's first game of 1990. Page 19.

## Beijing Rushes Army to Restive Western Region

By Daniel Southerland

Washington Post Service

BEIJING — China has flown troops into a remote western frontier area to help control anti-Chinese disturbances, Western diplomats said Monday.

One diplomat, who requested anonymity, said an official from the autonomous region of Xinjiang told him that reports of violence in the region's Kashgar area in recent days were credible.

The disturbances are reported to be the largest outbreak of unrest in China since pro-democracy protests nearly a year ago. They came after repeated warnings by Xinjiang officials of increased ethnic tension.

Foreign travelers in Urumqi, capital of the autonomous region, said Sunday that China had closed off the country's westernmost city of Kashgar to foreigners, apparently because of ethnic unrest.

A government official reached Monday by telephone at the Foreign Affairs Office of the autonomous region in Urumqi said that he had no information on reports of rioting or troop movements in the Kashgar area. But he did not deny the reports.

A French tourist, reached by phone Monday night in Urumqi, said that travel guides had suddenly canceled her group's plans to visit Kashgar either by bus or by plane this week. She said that at Kashgar was bad, then that planes were not flying. Neither explanation appeared adequate.

Kashgar is an oasis city of more than 100,000 people, most of them Muslim Uighurs. Located on the famed Silk Road once traveled by Marco Polo, Kashgar was the scene of rioting against ethnic Han Chinese in the early 1980s.

Kashgar is situated in a mountainous region about 150 miles (240 kilometers) from the Soviet border. Soviet central Asian republics located across the border from China were shaken by ethnic secessionist violence earlier this year.

Xinjiang officials recently acknowledged that events in Eastern Europe are having an impact in Xinjiang, presumably helping to stir nationalist sentiment against Chinese rule.

The Chinese press, presumably acting under high-level instructions, has remained silent about the current tensions in Xinjiang.

The information which is available, some of it coming from foreigners in Xinjiang, has been sketchy.

There are no details, for example, as to the number of persons engaged in anti-Chinese disturbances or the number of casualties, if any, resulting from clashes with Chinese troops.

The Chinese government has rejected requests by foreign journalists to visit Xinjiang in recent months.

Uighurs, speaking a language related to Turkish, form the largest single ethnic group in Xinjiang. They have protested sporadically against Chinese rule over the past decade. But Western diplomats believe that they are not adequately organized to break away from China, particularly as long as China maintains a heavy military presence in Xinjiang.

Last May, Muslims in Urumqi protested against a book published in China which they said insulted Islam.

Xinjiang's deputy governor, Huang Baozhang, told reporters in Beijing last month that activists outside China had recently smuggled anti-Chinese "reactionary materials," such as leaflets, into Xinjiang inside copies of the Koran.

Chinese officials have pointed to a former Nationalist Chinese official who lives in Turkey as one of the chief organizers of underground activities against the Chinese government in Xinjiang.

■ **Kashgar Mobs Reported**  
An Australian resident of Beijing who was in Urumqi during the weekend reported that witnesses

## Kiosk U.S. Optimistic About Summit

WASHINGTON (Reuters)

The White House on Monday played down its disappointment over last week's talks between Foreign Minister Eduard A. Shevardnadze and U.S. officials said they remained optimistic about the May 30-June 3 summit.

The presidential spokesman, Martin Fitzwater, acknowledged that three days of talks between Mr. Shevardnadze and Secretary of State James A. Baker 3d as well as a session with President George Bush failed to advance the chances that a nuclear arms reduction pact would be completed in time for the summit. But he expressed the hope that the talks represented a second maneuvering and that a treaty to cut long-range arms remained within reach.

General News  
An independent candidate becomes the favorite in Peru's runoff election. Page 3.  
With the Hubble Space Telescope, astronomers are to get a look at the unknown. Page 8.

Business/Finance  
The European Bank for Reconstruction and Development will be officially launched May 30. Page 11.  
Ford Motor Co. will shift some production to West Germany from Britain. Page 11.

Crossword  
Weather  
Page 9.

Down Close  
The Dollar  
in New York

DM	1.662
FR	1.6345
Yen	188.135
FF	5.6895

## Kremlin Escalates Lithuanian Drive

By Michael Dobbs

Washington Post Service

MOSCOW — The Kremlin announced Monday night that it would step up its pressure against Lithuania and accused the Lithuanian leaders of blocking a solution to the monthlong secessionist crisis.

The statement, which was issued after a meeting of the Presidential Council presided over by President Mikhail S. Gorbachev, did not specify what action Moscow would take to restore its authority. But its tone was uncompromising and suggested the beginning of a new stage in the war of wills between Moscow and Vilnius.

The brief statement, as reported by the news agency Tass, said, "The present Lithuanian leadership is blocking any exit from the crisis with its anti-constitutional actions and the escalation of illegal measures. It is aggravating the situation in the republic for which it bears full responsibility."

As the council met to discuss the Lithuanian crisis, a new challenge to the Kremlin's authority was brewing in the southern republic of Georgia. Huge crowds gathered in Tbilisi and other Georgian cities to mourn the killings of 20 people by Soviet troops in an anti-government demonstration a year ago and to demand the restoration of Georgian independence.

A range of weapons are open to the Kremlin in escalating the pressure on Lithuania, including the declaration of direct presidential rule. Amendments to the constitution adopted last month give Mr. Gorbachev the power to suspend the democratically-elected Lithuanian legislature and rule by presidential decree.

The statement said that members of the council, which was set up last month to advise Mr. Gorbachev, had concluded that "additional economic, political and other measures should be taken to protect the U.S.S.R. Constitution and the interests of citizens living in the republic and the Soviet Union as a whole."

A conservative group of deputies in the Soviet parliament on Monday said that the Lithuanian leadership was blocking any exit from the crisis with its anti-constitutional actions and the escalation of illegal measures. It is aggravating the situation in the republic for which it bears full responsibility.

As the council met to discuss the Lithuanian crisis, a new challenge to the Kremlin's authority was brewing in the southern republic of Georgia. Huge crowds gathered in Tbilisi and other Georgian cities to mourn the killings of 20 people by Soviet troops in an anti-government demonstration a year ago and to demand the restoration of Georgian independence.

A range of weapons are open to the Kremlin in escalating the pressure on Lithuania, including the declaration of direct presidential rule. Amendments to the constitution adopted last month give Mr. Gorbachev the power to suspend the democratically-elected Lithuanian legislature and rule by presidential decree.

The statement said that members of the council, which was set up last month to advise Mr. Gorbachev, had concluded that "additional economic, political and other measures should be taken to protect the U.S.S.R. Constitution and the interests of citizens living in the republic and the Soviet Union as a whole."

A conservative group of deputies in the Soviet parliament on Monday said that the Lithuanian leadership was blocking any exit from the crisis with its anti-constitutional actions and the escalation of illegal measures. It is aggravating the situation in the republic for which it bears full responsibility.

As the council met to discuss the Lithuanian crisis, a new challenge to the Kremlin's authority was brewing in the southern republic of Georgia. Huge crowds gathered in Tbilisi and other Georgian cities to mourn the killings of 20 people by Soviet troops in an anti-government demonstration a year ago and to demand the restoration of Georgian independence.

A range of weapons are open to the Kremlin in escalating the pressure on Lithuania, including the declaration of direct presidential rule. Amendments to the constitution adopted last month give Mr. Gorbachev the power to suspend the democratically-elected Lithuanian legislature and rule by presidential decree.

## Welsh Suspect Arson in 2d European Ferry Blaze

The Associated Press

MILFORD HAVEN, Wales — Police began an arson investigation Monday into a fire aboard the Irish Sea ferry Norrona that killed 32 people.

The owners said they suspected the fire was started deliberately aboard the car ferry, which was carrying 297 from Milford Haven, 180 miles (300 kilometers) west of London, to Rosslare, Ireland. The fire was discovered at sea.

The blaze followed a suspicious fire on the Scandinavia Star ferry early Saturday that killed an estimated 170 people. That fire broke out while the Danish-owned ship was sailing from Norway to Denmark with at least 500 aboard.

The Norrona's owners said that "B and I Line suspect that the fire on board the M.V. Norrona was started deliberately."

The company, based in Dublin, did not elaborate, but the company's marine superintendent, Captain Peter McKenna, told Irish Radio that B and I was "fairly certain about this."

There are indications now from our preliminary investigations that the fire started in two separate cabins in an unoccupied section of the vessel," he said.

"The cabins are not normally locked, but the area was not allocated to passengers for this particular sailing. The cabins were close to each other in the same section."

The ferry was 8 miles (12 kilometers) off the Welsh coast when the fire was discovered. Fire fighters managed to control the blaze two hours later, an official said. Ten cabins were damaged.

In the Scandinavia fire, Swedish investigators who Monday reached the blackened interior of

the Scandinavia Star ferry said they found many more bodies, including those of several children, raising the estimated death toll to 170, a spokesman said.

That blaze was extinguished Sunday night, officials said. A team of officers Monday entered cabins previously blocked by fire and searching heat, said Police Inspector Lief Skoglund.

"When they went inside the boat they saw lots and lots of dead bodies, maybe 100 more," said Mr. Skoglund. "There may be 170 dead on board."

Police earlier estimated the number of victims on the 20-year-old vessel at around 150 but said that did not count children, who would not appear on passenger lists. Police listed 345 survivors.

The ship caught fire before dawn Saturday on the North Sea voyage from Oslo to Frederikshavn, Denmark.

District police chief Ror Onso said a commission of officials from Sweden, Norway and Denmark would investigate the disaster, parallel to the police investigation focusing on suspicion of arson.

"We are working on the assumption that the fire was arranged," said Magnus Ankrust, assistant police chief in Oslo.

Mr. Onso said Sunday that the investigation would probe all possibilities, including any connection to three previous fires on North Sea ferries. But he said it was difficult to see a link between the fires, which occurred on different routes on ships from different companies.

Captain Hugo Larsen was on the bridge of the 10,500-ton ferry as the smoldering ship was towed into harbor at dusk on Saturday. Fire officials said he left the ship before

all survivors were evacuated, and returned later.

"I never failed the passengers," Captain Larsen was quoted as saying by a Swedish news agency.

A fire inspector said Captain Larsen had moved to another ferry and helped coordinate rescue efforts.

■ **Fire on French Ferry**  
Fire broke out in the engine room of the French ferry Reine Mathilde off the south coast of England on Monday but was extinguished by the crew, the Coast Guard said. The Associated Press reported in London.

One person was overcome by smoke and was evacuated by helicopter as the vessel lay 14 miles (23 kilometers) off the Isle of Wight, a Coast Guard spokesman said. The vessel was without power, but appeared to be in no danger.

## Pepsi Signs \$3 Billion Soviet Barter Pact

By Anthony Ramirez

New York Times Service

NEW YORK — In the largest deal ever between an American corporation and the Soviet Union, PepsiCo Inc. signed an agreement Monday to barter ships and vodka for Pepsi-Cola.

The accord, which extends Pepsi's exclusive right to sell Russian vodka in the United States for another 10 years, is valued at more than \$3 billion.

The deal will greatly expand Pepsi-Cola's availability in the Soviet Union.

And for the first time, PepsiCo will take out its profits not just in

the form of Stolichnaya vodka, but in ocean-going freighters and tankers as well.

Since 1974, PepsiCo has shipped its soft-drink syrup to the Soviet Union, made it into cola and sold the bottled product, taking out its profits in Stolichnaya, which is sold through a third party in the United States.

Under the new deal, the Soviet Union will trade at least 10 tankers and freighters, ranging in size from 28,600 tons to 65,000 tons, with a total value of more than \$300 million.

The new agreement will enable PepsiCo to more than double its Soviet bottling network and eventually make possible the nationwide distribution of soft drinks in aluminum cans and plastic bottles, rather than in the cumbersome glass bottles currently used.

The Soviet president, Mikhail S. Gorbachev, has said that ending shortages and poor distribution of consumer goods poses a critical test for his leadership.

The PepsiCo deal is being closely watched as an indicator of whether Western companies can prosper in the Soviet market, which has 287 million consumers who have had little to buy.

PepsiCo was the first large American company to enter the Soviet

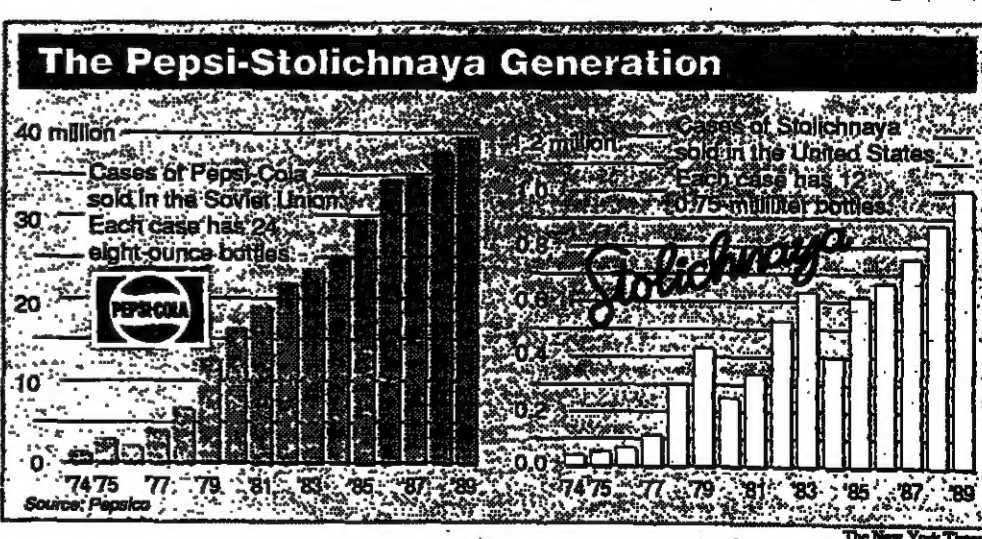
market, led by its former chairman, Donald M. Kendall.

Mr. Kendall, now a director of the U.S.-U.S.S.R. Trade and Economic Council, has actively encouraged other Western businesses to invest in the Soviet Union. He once told an interviewer, "If we can get the Soviet people to enjoy good consumer goods, they'll never be able to do without them again."

PepsiCo, which is based in Purchase, New York, had sales in 1989 of more than \$15 billion, making it one of the largest consumer product companies in the world.

Its well-known brand names in-

See PEPSI, Page 13



## Present Shock: Arts in Eastern Europe Abruptly Find the New Going Hard Going

By Mike Zwerin

International Herald Tribune

WARSAW — Old melodies linger on and new tunes are hard to carry in the budding Central European democracies of Poland, Czechoslovakia and Hungary. Culture is suffering from present shock. You get desperate for topics when the main subject of conversation, no matter how distasteful it was, suddenly disappears after more than 40 years. Is freedom really "just another word for nothing left to lose?" What happens after a happy ending?

In "The Party's Over," a song by the Hungarian rock band East, "Joyless old men with delusions of grandeur" are swept aside "in a side of people's anger." The sentiment is appropriate to Central Europe.

And now that we've sent All these people away Well I'm at a loss For something to say.

Ryszard Kapuscinski, who has written books about political change in Iran, Ethiopia and Angola, describes the situation in Poland as "postwar."

"Today's ruins are psychological, ethical, moral and of course economic rather than physical," he said, "but I remember the end of

### Culture in the East A Paralysis in Poland

First of a series

the real war here, and then too there was no enthusiasm. The reconstruction task is so tremendous it's paralyzing.

"People do not have the strength to express joy, to express anything. It reminds me of a marathon race — the crowd cheers as the winner crosses the finish line, and then falls to the ground unconscious. Poor Izabela."

Minister of Culture Izabela Cywinska, the former director of Poznan's highly respected Nowy Theater, is presiding over the closing of more than 50 of the 75 state-subsidized theaters.

"They will have to find their own financing," she said as she tried to rub the fatigue from her face. "There's no alternative."

"For 45 years, Polish artists, including myself, had special privileges like subsidies, pensions and tax breaks. Now that we are moving toward a market economy we must abolish many of them. It is my job. Somebody has to do it."

"I guess I am not very popular with the artistic community, but there's no money. I try to find new money from the Polish diaspora and, for example, by taxing video cassettes. It takes time, and people are impatient."

Culture gets 1.66 percent of the national budget, whose reduction is a major aim of the government of Prime Minister Tadeusz

Mazowiecki. The more successful that process, the less culture gets until a significant private sector emerges. "There will be some difficult months," Mrs. Cywinska said. "Maybe years."

"Once we had socialism without social justice," the satirist Jan Pietrzak said with a straight face. "Now we have capitalism without capital." Mr. Pietrzak, who wrote the Solidarity anthem "Let Poland Be Poland," was often arrested on his way to performances and was now and then held for 48 hours. He was banned several times for a year or two. He wrote songs under pseudonyms, recited seditious monologues in cellars, private homes and holes-in-the-wall.

Now he has another problem. New jokes. He's looking for more like this: "Since Izabela became president of Czechoslovakia, Wales and Jaruzelski are doing everything possible to drive all playwrights out of Poland. This is the only thing they agree on."

During a recent tour of Silesia, his cabaret

company had 17 sold-out performances. "People laughed like crazy," he said. "I didn't think there was so much laughter left. And I was surprised they could afford to pay for it. Unfortunately, my friends in Solidarity seem to be losing their sense of humor."

"Forgetting about money for the moment," I asked Mrs. Cywinska, "is culture rich here now?"

"Thank you," she shook my hand and smiled. "Thank you for allowing me to forget about money. I think deeply about the question. It is probably too early for an answer, but so far no great literature has come out of the new situation. The limit of change in theatre seems to be an absence of red banners."

"In painting, there are no more bleeding crucifixions. Too many creative artists have retarded perception. They should find more constructive response. As the poet Jan

Kasprowicz said, 'Better get your head out of the dead leaves.'"

The rumor was circulating that the filmmaker Andrzej Wajda, a deputy in parliament and one of three principal partners in the Solidarity newspaper Gazeta, would replace Mrs. Cywinska.

"He'll find ways to move faster," said a Warsaw architect. Her husband disagreed: "There is only one way to go faster," he said. "With tanks."

The 40-story Marriott Hotel is a bastion of hard currency in a sea of hard toilet paper. The lobby bulletin board announced that the Sumitomo Corp., the governor of Florida, the Swedish Technical Bureau and a Zurich bank were all hosting meetings one recent day. In the penthouse jazz lounge that night, the Zbig-niew Natuszynski quartet was cooking as usual. Lawrence S. Eagleburger, deputy secretary

See POLAND, Page 2









Mr. Fujimori, left, with Mr. Vargas Llosa, the leading candidates in Sunday's election. They will face each other in a runoff vote.

## Feuding Mires Contra Return

UN and OAS Deny They're in a Jurisdictional Dispute

By John M. Goshko

WASHINGTON — A Nicaraguan accord on repatriating 28,000 contra rebels and their dependents appears imminent, sources say, but the agreement could collapse for lack of funds, aggravated by a feud over jurisdiction between two international organizations.

The U.S. government and the Organization of American States are disputing who will pay for carrying out the accord, which would involve disarming the rebels and relocating them and their dependents in Nicaragua by the end of April.

The Sandinista government, President-elect Violeta Barrios de Chamorro and contra representatives are expected to agree soon on a formal cease-fire that involves grouping military forces in security zones that would be set up in Nicaragua by a commission run jointly by the OAS and the United Nations, sources said.

On April 17, rebels and their families, most of them camped in neighboring Honduras, would begin entering the zones. There, they would surrender their arms and receive assistance to return to their homes from the joint International Commission for Support and Verification, called CLAV after its Spanish initials.

However, the sources continued, the OAS, which is responsible for the commission's operations inside Nicaragua, does not have the \$3 million needed to set up the security zones and operate them for 60 days. It has warned that the repatriation program would be delayed and possibly derailed if the funds are not available this week.

[The Bush administration, suggesting that Congress was dragging its feet, said Monday it hoped to spend \$3.6 million as a "stopgap measure" to help the U.S.-backed contras disband and resettle. The Associated Press reported from Washington.

[The presidential spokesman, Martin Fitzwater, said the White House would press for approval of the funds as soon as Congress returned from Easter recess.

[The State Department spokeswoman, Margaret D. Tutwiler, called the \$3.6 million "start-up money for the repatriation and resettlement operations," including money for the UN group. She said that both the UN and the OAS had been "informed of our intention to move quickly to disburse these dollars." Administration officials said the government was prepared to provide funds for food and medical care for the contras, both in Honduras and Nicaragua.]

Last Friday, Robert M. Sayre, OAS assistant secretary-general for management, wrote Ted Morse, di-

rector of the Agency for International Development's task force on humanitarian assistance, saying:

"I cannot stress too strongly that we are unable to make financial commitments for food and clothing and other necessities, which we estimate will cost at least \$1 million a month, without a firm commitment from the United States government. The time is now very short."

A senior AID official, who asked not to be named, said his agency was having problems meeting the OAS request because his organization's financial resources were severely limited and because the agency had questions about the effectiveness of the repatriation plan. The official said AID regards the projects to have been sloppily planned and lacking in coordination between the OAS and the United Nations.

The official noted that late last year the United States offered to give the OAS and the United Nations up to \$3 million from the funds appropriated by Congress for humanitarian aid to the contras to be used for repatriation planning. Instead, the official contended, the two international bodies spent most of the time feuding about jurisdiction.

"Now that things have reached the stage where the resistance appears ready to return home en masse, they are panicking and trying to whip us into giving them the money without an adequate picture of what they plan to do," he said.

That charge was disputed by both OAS and UN officials, who noted that on Feb. 28, the secretar-

ies-general of the two organizations, João Clemente Baena Soares and Javier Pérez de Cuéllar, reached agreement for the United Nations to supervise disarming the contra fighters and caring for them while they were in Honduras and for the OAS to take over once the contras returned to Nicaragua.

### Military Purge Is Vowed

Mrs. Chamorro, moving to end a divisive debate among her supporters, has said that the defense minister, General Humberto Ortega Saavedra, and other commanders appointed by the outgoing Sandinista government must leave their posts when she takes office April 25. The Washington Post reported from Mexico City.

Mrs. Chamorro said that none of the Sandinista party's nine "commanders of the revolution" would keep government or military posts. According to The Associated Press, Mrs. Chamorro wants the resignations of more than a dozen top Sandinista officers, who were not identified.

Indications that Mrs. Chamorro's transition team favored retaining General Ortega to ensure stability in the 70,000-member Sandinista Popular Army had provoked anger in unions and political parties that supported her candidacy.

## Juror Calls Case On Poindexter 'Overwhelming'

New York Times Service

WASHINGTON — The foreman of the jury that convicted Rear Admiral John M. Poindexter has said that "there was simply an overwhelming set of facts in support of the prosecution's allegations."

Wayne Mitchell, the foreman, added that although the 12 jurors had agreed not to discuss their verdict of guilty on five felony counts against the former national security adviser for his role in the Iran-contra scandal, he felt it was "important to get some of the facts straight." He gave brief interviews Sunday to three reporters who waited outside his apartment.

Mr. Mitchell, 25, who is studying to become a paralegal, said he found the testimony of Oliver L. North, a former aide to Admiral Poindexter, "very credible."

Analysts said Admiral Poindexter's conviction Saturday seemed likely to raise the question of a possible presidential pardon. But his lawyers have not indicated whether they will seek such a pardon.

## Outsider in Peru Is Favored in Runoff

Compiled by Our Staff From Dispatches

LIMA — Alberto Fujimori, who went from being almost unknown in Peru just weeks ago to placing second in Sunday's presidential election, became the favorite candidate on Monday when a powerful member of the governing party backed his candidacy.

Mr. Fujimori, 51, a former rector of the National University of Agriculture who has never held elected office, finished a close second in the first round of elections to the novelist Mario Vargas Llosa, 54, who was running on a free-market ticket.

Mr. Fujimori and Mr. Vargas Llosa will compete in a final round of voting in late May or early June. Many leaders of the governing party, the American Popular Revolutionary Alliance, or APRA, including President Alan García Pérez, are known to strongly dislike Mr. Vargas Llosa. According to unofficial results, Mr. Vargas Llosa won about 33 percent, and Mr. Fujimori received 30 percent.

The governing party candidate, Luis Alvarado, hampered by Mr. García's legacy of economic collapse and political violence, won about 16 percent of the vote.

Luis Alvarado, the powerful member of the governing party who is the president of the lower house of the Chamber of Deputies, said his party's support for Mr. Fujimori was "implicit."

He said that the governing party and the majority of Peruvians would have to support Mr. Fujimori. "The big loser has been Vargas Llosa and the right wing," Mr. Alvarado said.

Some political analysts said that

while Mr. Fujimori had become the clear favorite before the second round of voting, they did not rule out a comeback by Mr. Vargas Llosa.

The director of the independent polling institute APOYO, Alfredo Torres, said that if the second round were held now, "the emotional factor would prevail," and that Mr. Fujimori's Change-90 movement "would be the clear favorite."

Mr. Fujimori benefited from widespread fear of the economic austerity measures that Mr. Vargas Llosa called for during his campaign.

The novelist has proposed an austere economic program to tame inflation, which is running at more than 2,000 percent annually. He has pledged to abolish subsidies, cut the government payroll and sell state-owned companies.

Mr. Fujimori will need the support of leftist and centrist parties, which together hold about a quar-

ter of the vote, to overcome Mr. Vargas Llosa.

Leaders of the United Left party, which won about 7 percent of the vote, predicted eventual victory for Mr. Fujimori and suggested that they would support him.

Mr. Fujimori won huge majorities in parts of the impoverished interior and in areas controlled by the leftist guerrillas of the Shining Path group.

The independent candidate said that he would seek financial help from Japan and other developed countries to break Peru's four-year, virtual cutoff in foreign credit. Mr. Fujimori's parents immigrated from Japan in 1930.

Many followers of Mr. Fujimori's said that if he took power, Tokyo would provide much needed economic help to Peru. About 60,000 ethnic Japanese live in Peru.

Mr. Fujimori said that Mr. Vargas Llosa "has spoken so much of the Japanese miracle that maybe he has done me a favor."

Mr. Fujimori has proposed aggressive police and military action to fight the guerrillas, who had called for a boycott of the election and carried out a series of attacks Saturday, which killed 34 persons.

According to the unofficial projections, Mr. Vargas Llosa's Democratic Front will win an absolute majority of legislative seats, winning 23 Senate and 72 Chamber of Deputies seats.

The projections showed the ruling party taking 13 Senate and 42 Chamber of Deputies seats.

Mr. Fujimori's Change-90 movement was expected to win 14 Senate and 31 Chamber of Deputies seats.

Political observers said Mr. Fujimori's success was partly the outcome of a polarized campaign with Mr. Vargas Llosa seen as the candidate of the right and the wealthy, and other candidates positioning themselves on the left. Mr. Fujimori appeared to have filled a vacuum.

(Reuters, AFP)

## Cubans Delay Reactor Opening for 2 Years

United Press International

HAVANA — The opening of Cuba's first nuclear reactor, being built by Soviet technicians, has been delayed by two to three years, a senior Cuban official said, adding that the nuclear program was "100 percent for peaceful" uses. No reason was given for the delay.

With the help of the Soviet Union, Cuba is building two 440-megawatt nuclear reactors near the port of Cienfuegos in southern

Cuba. The operation of first reactor, originally scheduled to be tested by the end of the 1980s, was postponed until the end of 1990 and has been postponed again.

"We do not have nuclear arms," Deputy Foreign Minister Ramón Sánchez Parodi said over the weekend. He said that the first reactor would "start functioning in two or three years."

Construction on the reactors began in 1982 and has caused serious

concern in the United States, especially after the Soviet Union's 1985 Chernobyl accident, which sent radioactive fallout over Europe.

U.S. critics have argued that a Chernobyl-like accident in Cuba would severely affect the region. But foreign experts and officials of the Vienna-based International Atomic Energy Agency who have visited the facility have approved safety measures adopted by Cuba, a Western diplomat said.

There's Nothing Like A Preferred Hotel.<sup>®</sup>  
Including Another Preferred Hotel.<sup>®</sup>

Hotel Im Palais Schwarzenberg  
Austria, Vienna

The Ritz  
Great Britain, London

Hotel Le Bristol  
France, Paris

Hotel Pierre Milano  
Italy, Milan

Brenner's Park-Hotel  
West Germany, Baden-Baden

Palace Hotel  
Spain, Madrid

Hotel Breidenbacher Hof  
West Germany, Düsseldorf

Le Richemond  
Switzerland, Geneva

The Dorchester  
Great Britain, London

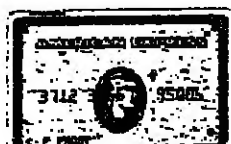
Park Hotel Vitznau  
Switzerland, Lucerne/Vitznau

These hotels are as different from one another as they are from the rest of the world. And yet all adhere to the same superior levels of service, furnishings, hospitality and cuisine. And all accept the American Express<sup>®</sup> Card.

So while some Preferred Hotels<sup>®</sup> are world famous and others are still well kept secrets, they all have one important thing in common. Nothing.

PREFERRED HOTELS<sup>®</sup>  
WORLDWIDE

For reservations, contact your travel planner. Outside North America, have your travel planner contact: (1) Tel International.



Membership Has Its Privileges<sup>®</sup>

Preferred Hotels<sup>®</sup> everywhere prefer the American Express<sup>®</sup> Card. Always make an American Express<sup>®</sup> Card Assured Reservation<sup>®</sup> at any of these fine hotels.

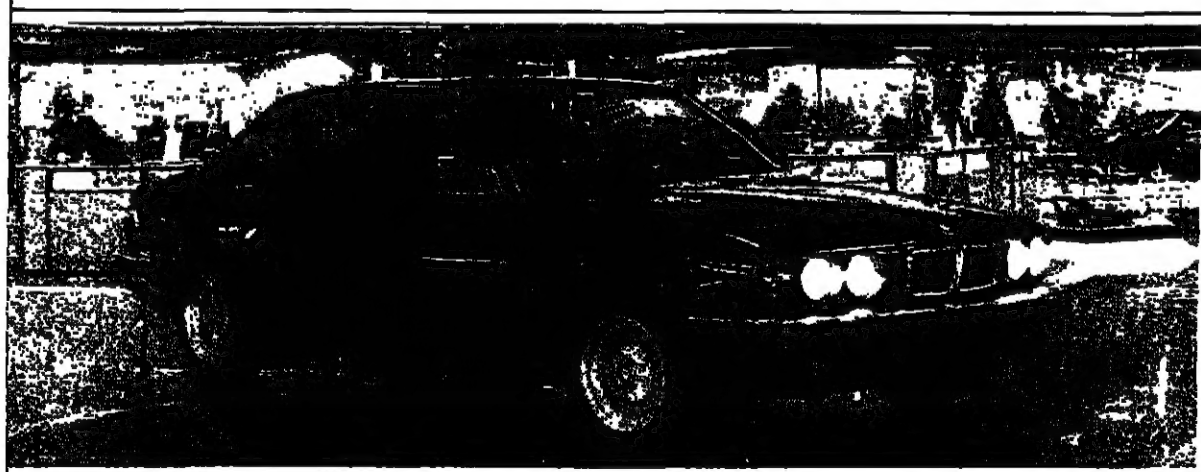
\*Certain restrictions may apply.

© 1990 Preferred Hotels Worldwide. All rights reserved.

## Blue note.



## DUBAI DUTY FREE'S FINEST SURPRISE CONTINUES...



BMW 750iL

YOUR OPPORTUNITY TO WIN THE WORLD'S FINEST CAR AT THE NEWLY EXPANDED DUBAI DUTY FREE

Tickets are priced at Dhs. 500/ US\$ 138 and limited to 1000 bonafide departing and transit travellers.

The draw date and winning number will be published in the International press and the car will be shipped to any part of the world free of charge.

The finest collection at the world's most elegant duty free.

For The World's Finest.

Fly-Buy-Dubai



CONGRATULATIONS! DUBAI DUTY FREE'S FINEST SURPRISE WINNER

Mrs. J. Treigilas (Ticket No. 0899) of P.O. Box 2222, Dubai, winner of the Porsche 911 Carrera 4 who travelled KLM 878, Dubai/London on 27 March, 1990.



# Herald Tribune

Published With The New York Times and The Washington Post

## Rethinking Foreign Aid

It is time to rethink foreign aid. America no longer needs to view countries through the distorting ice of the Cold War. Instead it can shift emphasis and resources toward building a less fortified, more truly secure world. Such a shift would also serve U.S. interests in a new era in which weapons count less than economic success.

Many of America's present aid programs are not designed for this new world. Spending is narrowly focused on security assistance and earmarked for a few strategically placed allies. Two of every three aid dollars go to just five countries: Israel, Egypt, the Philippines, Turkey and Pakistan.

A program for the 1990s needs to embrace more countries and emphasize free market approaches. It can build on development-oriented programs already in place. But a comprehensive reordering of aid programs is called for.

Americans never relished spending tax dollars on foreign causes. Now that the Cold War no longer rallies patriotic support, taxpayers have understandably begun to ask why America should be responsible for raising living standards abroad.

The answer was demonstrated by the Marshall Plan 40 years ago. America best promotes its own economic well-being by helping to consolidate democracy and expand free markets.

Today's greatest opportunities lie in Eastern Europe and Latin America. Assistance efforts are best aimed at encouraging private investment and underwriting large, but one-time, transition costs. The ideal mechanism is multilateral action through both new and existing development banks. Here are some of the more pressing needs and some ways to address them:

**Investment incentives.** To attract private capital into risky new marketplaces, investment insurance, loan guarantees and preferential credit programs need to be enlarged. New mechanisms can also be developed to give East Europeans and Latin Americans themselves better access to credit.

**Lowered barriers.** Cold War impediments to technology transfers, especially in computers, can be further reduced. Protectionist restrictions against farm and manufacturing imports can be eliminated, so that

developing countries can earn the hard currency needed for expanding trade.

**Financial relief.** Bank regulators can encourage more debt-reduction deals by private banks. Governments can provide direct help by contributing to currency stabilization funds and reducing official debts. These steps will also free financial resources for trade and investment.

**Transition expenses.** East European and Latin American governments need to invest in infrastructure. Adequate unemployment and welfare systems are necessary to help workers temporarily between jobs. Devastated environments require renewal to attract new economic activity. The newly established European Bank for Reconstruction and Development is ideally suited to meet such needs in Eastern Europe. In Latin America, the Inter-American Development Bank provides an appropriate vehicle. And in all regions, the World Bank can play an expanded role.

These programs will take bucks, but not megabucks. The whole idea of market-based reform is to rely increasingly on private investment, not government subsidy. And the responsibilities can, and should, be shared with Western Europe and Japan.

Some in Congress have begun to think about new approaches to aid. But so far the Bush administration has proposed only patchwork change. Worse, Washington seems locked into positions that make needed shifts all but impossible.

Powerful congressional constituencies appear determined to preserve existing aid formulas. The White House proclaims the need to provide aid to many new countries, but then rejects the two most promising ways of paying for it — a clearly identified peace dividend or a tax increase. America has the resources to fund worthwhile domestic and foreign programs. But as a result of the last decade's fiscal follies, these resources are not now available for public purposes.

Americans have made sacrifices for decades in the name of a freer world. Now such a world seems at hand. With Washington keep the United States constructively engaged, or let fiscal and political inertia compel a shameful, costly retreat?

—THE NEW YORK TIMES.

## Immigrants Needed

The population of the United States passed a milestone recently when the number of Americans hit 250 million. Population experts estimate that the figure will continue to grow for another 30 years. But it will level off after that, at about 269 million. This is because the fertility rate — the average number of children in a completed family — is between 1.8 and 1.9. At that rate the population would begin to decline, except for immigration. Leave Emma Lazarus aside for the moment. There will be practical consequences. Without newcomers, there will be far fewer taxpayers and workers to support the Social Security system in the next century.

Because of this unromantic reality, there is widespread agreement in Congress that the levels of legal immigration should be raised. There is also a continuing debate about what kind of immigration should be encouraged and how American workers can be protected from the possible consequences of job competition. The Senate passed a bill last year that would increase overall immigration by about 100,000 a year and establish new preferences for those who have professional expertise or needed skills but who do not have close relatives in the United States. The number of refugees admitted — a changing number that was just more than 90,000 last year — was not included in these totals and would be unaffected by the proposed legislation. This is the second time the Senate has passed

such a bill, and if the House does not act this year it is unlikely that senators will take the lead for a third time.

Last week the House immigration subcommittee spent two days marking up its version of the Senate-passed Kennedy-Simpson bill. A third day of markup has been scheduled for April 19. Most of the alterations before the subcommittee are similar to the Senate bill except that they would authorize a larger increase in immigration. One of them would triple the current figure.

But the bill offered by the subcommittee chairman, Bruce Morrison (Democrat of Connecticut), is more complicated. He, too, would increase legal immigration, but he wants to impose a \$1,000 fee on each employer who hires certain skilled immigrants and allow that money into job training programs for unemployed Americans. Because the proposal has tax and labor implications that do not complicate the other bills. If the House Judiciary Committee approves it, the measure will also have to be referred to the Labor and Education and Ways and Means committees, which could slow the legislative process. If this happens, it will be important to set realistic deadlines for committee consideration so that the full House and a conference committee will be able to act before this Congress adjourns. A considerable amount of groundwork has been done on this phase of immigration reform, and it is important that the momentum not be lost.

—THE WASHINGTON POST.

## An Iran-Contra Verdict

When Rear Admiral John Poindexter told Congress in 1987 that "the buck stops here with me," he rescued his president from investigators of the Iran-contra scandal. His testimony that he kept Ronald Reagan in the dark on key matters effectively froze the congressional investigators in their tracks. As a jury's verdict on Saturday made clear, the former national security adviser was also defining his own criminal role. He stands convicted, on compelling evidence, of five Iran-contra cover-up crimes. The crimes are serious and not to be dismissed as political. They amount to lying to and obstructing Congress — for political reasons — in response to legitimate legislative inquiry.

Like his flashier aide Oliver North, Admiral Poindexter was imbued with the notion that running Central American wars and swapping arms with Iran for hostages was none of Congress's business. Both men responded to suspicious inquiries first with lies, later by destroying documents. Mr. North, then a Marine Corps lieutenant colonel, was the spark plug of Iran-contra, but he managed to portray himself as the "fall guy" and walk off with light punishment.

Admiral Poindexter was too highly positioned to make a jury buy any defense that he was simply a good soldier following orders. In his trial, he sought to pass the buck back to Mr. Reagan, and argued that the president had approved his acts at the time and thereby made them seem legal. Mr. Reagan, testifying on videotape, said

unhelpfully that he always stipulated staying within the law. True or not, the jury clearly did not need Mr. Reagan to help it fix Admiral Poindexter's guilt. And whether or not jurors saw him as a hero or a scapegoat, they clearly did not believe him to be an innocent man.

Claiming to be patriots, John Poindexter and Oliver North put presidential power above country, even as the scandal was unraveling. They did their military uniforms no credit when they invoked their Fifth Amendment rights before Congress. They testified only under immunity from the use of their testimony, immensely complicating the task of Lawrence Walsh, the court-appointed independent prosecutor.

The verdict is Mr. Walsh's most significant achievement in three years of coping with executive stonewalling, battles over classified information, witness immunity claims and criticism for alleged extravagance. Establishing such clear guilt at such a high level is worth the cost and effort.

Like the judgments on Watergate, the jury verdict drives home the lessons of abusing power once again. Whether or not a president approves illegal acts, they are illegal. Whether or not defense crimes were prosecuted in the past, they are crimes, and call out for accountability. And when presidential policies go astray, as they have and will, it always makes matters far worse to cover up a blunder with a crime.

—THE NEW YORK TIMES.

### INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER  
Co-Chairmen

LEE W. HUBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL ART, KATHERINE KNORR  
and CHARLES MITCHELLMORE, Deputy Editors • CARL GEWIRTZ, Associate Editor •  
ROBERT J. DONAHUE, Editor of the Editorial Pages • REGINALD DALE, Economic and Financial Editor

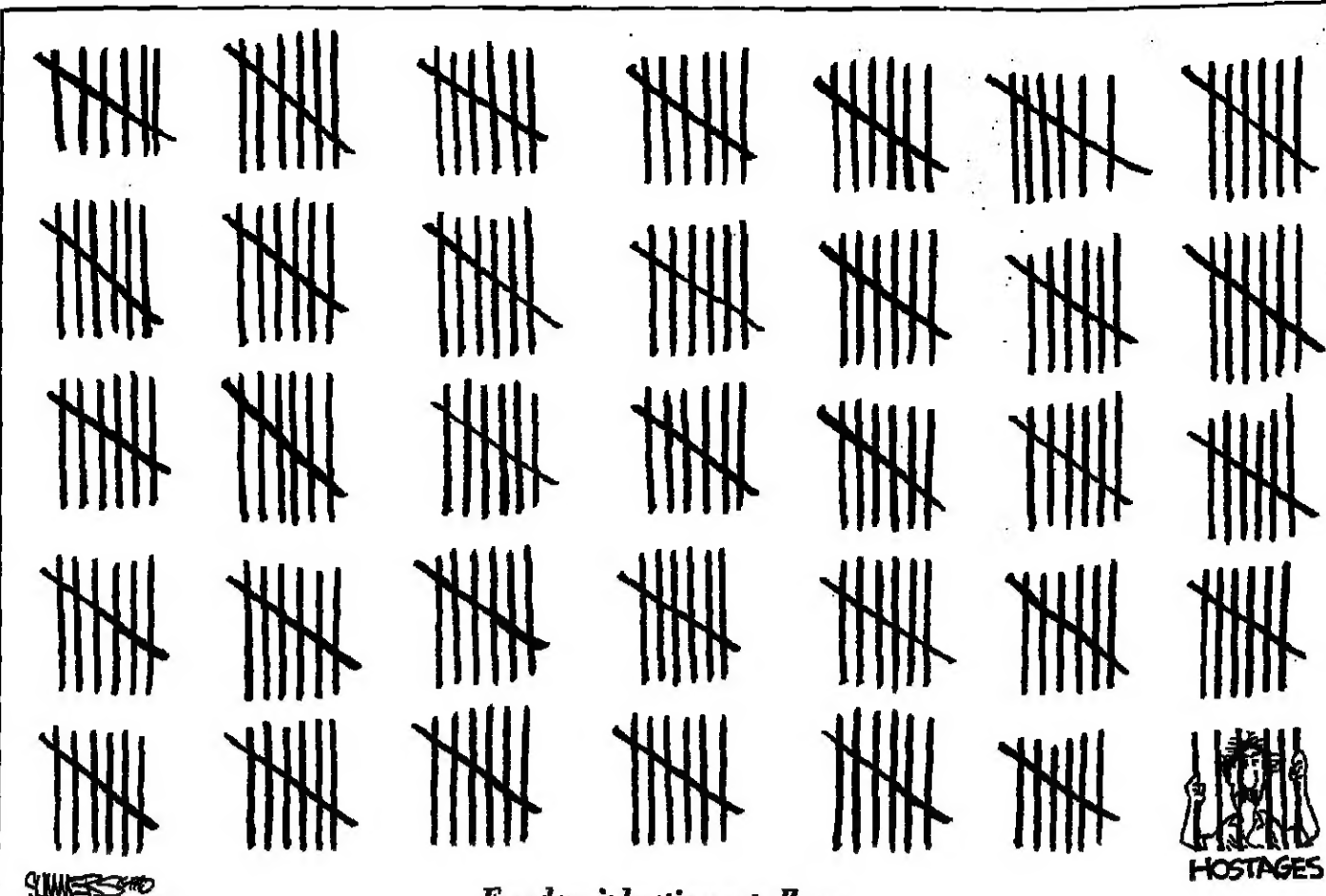
RENÉ BONDY, Deputy Publisher • RICHARD H. MORGAN, Associate Publisher •  
FRANÇOIS DESMAISON, Associate Director • JUANITA L. CASPARI, Advertising Sales Director •  
ROBERT FARRÉ, Circulation Director, Europe • KOURDT HOWELL, Director, Information Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92251 Neuilly-sur-Seine, France.  
Tel.: (1) 46 37 93 00. Telex: Advertising, 612355; Circulation, 612352; Editorial, 612718; Production, 630698.

Director of the publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Connaught Rd., Singapore 0511. Tel: 472-7768. Telex: R55828  
Ming. Dir. Asia, Ref. D. K. K. 30 Gloucester Rd., Hong Kong. Tel: 8610614. Telex: 61770  
United Kingdom: Herald Tribune House, 63 Long Ave., London WC2E 9LT. Tel: 836-4002. Telex: 263009  
Gen. Mgr. W. Germany: W. Langbein, Friedrichstr. 15, 1000 Berlin 1. Tel: (030) 726753. Telex: 416721  
Pres. U.S.: Michael C. Jones, 830 Third Ave., New York, N.Y. 10017. Tel: (212) 733-3800. Telex: 427175  
S.A. on capital of 1,200,000 F. RCS Number 5 73021126. Commission Paritaire No. 6337

© 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8002.



Freedom is busting out all over.

## Who Still Thinks Saddam Hussein Will Mellow?

By Jim Hoagland

PARIS — George Bush would not have let Willie Horton out on parole, or so he persuaded the American electorate in 1988. Why, then, is he so ready to see the good in the Willie Hortons of international politics and let them redeem themselves under his patient, forgiving guidance?

Consider the president's mild reaction to the crude boast by President Saddam Hussein that Iraq will wipe out half of Israel with chemical weapons if the Israelis smack Iraq again, as they did in 1981. Asked by journalists to respond, Mr. Bush urged Mr. Hussein to "forget about talk of using chemical and biological weapons" and to stop making "bad" statements.

Mr. Bush shushes a man who has ordered the shooting, poisoning and dismembering of political opponents and the gassing of his own citizens, and who revealed in these acts. Somehow I doubt that Mr. Hussein, who was a teenage gunman himself, will be shushed. Like the Chinese leaders who respond with new slaps each time Mr. Bush turns yet another cheek, the Iraqi will go his own murderous way without regard to probationary discipline.

The far right's contention that Mr. Bush is at heart a secret liberal always struck me as loony. But his view that Deng Xiaoping, Saddam Hussein and Pol Pot can be reasoned into doing the right thing if the United States stays in touch with them makes me think that the far right may be on to something after all.

If there is a way to compress into one sentence the essential difference between conservative and liberal politics, it seems to me to be this: Liberals believe in the perfectibility of man, while conservatives believe that people have to be accepted for what they have made out of themselves, and dealt with accordingly. The left says that with a little help the worst of us can be engineered into some-

thing much better. The right responds that we are in the environment we are in because of ourselves, not because of the environment.

The Bush administration came to office convinced that Saddam Hussein was among nature's engineers. Despite all the evidence to the contrary (most recently laid out in chilling and persuasive detail by Middle East Watch in its report "Human Rights in Iraq"), the State Department offered the view that Mr. Bush could persuade Mr. Hussein to become a useful citizen of the world.

The administration provided Baghdad with \$1 billion in guaranteed credits in 1989 to enable Iraq to buy U.S. food supplies while pouring money into missiles, chemical weapons and the search for an atomic bomb. After Congress voted at the end of 1989 to bar U.S. Export-Import Bank credits to Iraq, President Bush signed a waiver on Jan. 17. He said it was in America's national interest to continue providing Baghdad with \$200 million a year in subsidized financing.

We now know that as the president signed the waiver, the FBI was closing in on Iraqi agents who had for a year tried to buy and illegally export electronic devices that could be used to trigger a nuclear weapon. Once again the question Washington should be asking is: What did the president know, and when did he know it?

The White House at last may be wising up. An administration official, sounding solicitous about Mr. Bush's image, said the White House was only informed of the investigation a week before the March 23 arrests. The State Department, it turns out, knew at least six weeks before the arrests. And, the official added, Mr. Bush had signed the

waiver because Secretary of State James Baker had recommended that he sign it. Mr. Hussein is Jimmy Baker's friend, not George Bush's, was the subtext of this conversation.

That is progress, but not a solution. The problem is not Mr. Bush's image, nor the fact that Mr. Hussein talks about chemical weapons. The problem is that he makes and uses them. That is not a matter for shushing or intramural blame-shifting within the administration. The United States must contribute to ending the malignant evil that has taken hold in Baghdad, not help perpetuate it while hoping that Saddam Hussein will mellow.

Caught with his hand in the nuclear-technology cookie jar, the Iraqi tries to brazen it out, daring the Israelis to attack him and threatening Amman if they do. The last Arab leader who tried this tactic was Egypt's General Abdel Nasser in June 1967. His bluster cost Egypt an army, and the Sinai.

Why invite destruction? With Mr. Hussein it is part psychology, part calculation. He rules at home through terror and responds with the same tactic when challenged abroad. The Middle East Watch report makes clear that the cruel rejection of Margaret Thatcher's plea for clemency in the case of the journalist Farzad Bazoft is part of an established pattern. Mr. Hussein reminds his terrorized population that no one can hope to be saved by an appeal for mercy to him, no matter who makes that appeal.

Going to the brink of confrontation with Israel is also useful in blackmailing other Arab leaders for the oil money he needs to bail Iraq out of financial disaster. Mr. Hussein may calculate that Israel, in the middle of a political crisis, will not take his dare. But I think he miscalculates. When the Israelis respond, it will be with much more than a shush or a turned cheek.

The Washington Post.

## Eastern Europe: Consider Examples in East Asia

By Alice H. Amsden

NEW YORK — It is widely accepted that free-market shock therapy is the best treatment for Eastern Europe's sick economies. Yet the success of the tightly controlled East Asian economies attests that companies in less developed states may need to be shielded from market forces as they struggle to make up lost ground. Eastern Europe is being advised to "get prices right," in alignment with

Competition does not necessarily require market pricing.

international costs and supply and demand. Governments in East Asia have deliberately got prices "wrong," to stimulate investment and trade.

Getting prices right means making companies competitive on the basis of their production costs. In South Korea and Taiwan, that meant using cheap labor to compete against Japan. But despite repeated devaluations of the Korean and Taiwanese foreign exchange rates in the 1960s, not even mass employment industries such as cotton textiles could compete against Japan's higher productivity. Seoul and Taipei had to intervene with subsidies to industrialize.

Getting prices wrong means using a variety of government interventions to create a competitive edge. South Korea and Taiwan provided businesses and their suppliers with export subsidies, trade barriers to protect the home market and low-cost credit. Banks were nationalized and loans were directed to industries that had shown high-growth potential in other industrializing states. High Korean interest rates for 25 years.

Seoul ran persistent budget deficits to finance its infrastructure investments and to erect what is now the world's lowest-cost integrated steel mill. South Korea also exercised selectivity in approving investments by foreign firms.

Getting the prices wrong in East Asia has strengthened manufacturing activity without creating monopoly power. The South Korean and Taiwanese governments have balanced considerations of competition against economies of scale in deciding how many firms will operate in any industry. Firms have been deliberately exposed to the rigors of global competition through high export targets. Price ceilings have been placed on products ranging from nylon stockings to cement so as to curb monopolistic abuses.

Without question, Eastern Europe desperately needs greater competition. The message from East Asia, however, is that competition does not necessarily require market pricing.

All countries industrializing late need heavy government intervention. In contrast to earlier industrializers in the 18th and 19th centuries, their leading companies start

out with no special competitive advantage from pioneering technology. Borrowed technology and low wages are no match for advanced countries' higher productivity.

Admittedly, subsidies are open to gross political misappropriation. Setting wrong prices has worked out right in some late-industrializing countries but not in others.

A lot depends on political and economic institutions. In Japan, South Korea and Taiwan, subsidy recipients have been disciplined by the government to perform efficiently. Inexperienced companies have been allowed to sell in the sheltered domestic market, but they have had to raise productivity and quality to meet high export targets.

They have obtained subsidized credit, but not to speculate with or send to Swiss banks. By contrast, in many other late-industrializing countries the allocation of subsidies has been a free-for-all.

The institutions of East Asia may not be transferable to Eastern Europe. But the lesson is to build equivalent institutions that use the impetus of the market but restrain its full impact until new industries achieve technological parity with foreign competitors. Without institutional guidelines and vision, freer markets will only speed the ability to compete, and at greater social cost.

To date, economic advice to East Europe has ignored institutional economies. Advisers advocate free labor markets to raise productivity but fail to consider that workers may be motivated more by a system like East Asia's permanent employment. They counsel free entry for foreign investors, but forget that many developing countries that lack the machinery to screen foreign investments

find the benefits less than the costs. Popular democratic movements have emerged from the authoritarian politics of industrialization in both East Asia and Eastern Europe. South Korea is now debating whether continued government discipline of business is consistent with democracy. It is, so long as the government itself is popularly controlled. In the absence of government discipline, society can be held ransom by the investment decisions of large corporations. That is inherently undemocratic.

If Eastern Europe turns to wide open markets in place of radical institutional reforms, economic stagnation could persist. To leave big corporations in total control of investment decisions could also undermine democracy, not reinforce it.

The writer is professor of economics at the New School for Social Research. She contributed this comment to The New York Times.

The writer is a professor in the Department of Economics of the European University Institute in Florence. He contributed this comment to the International Herald Tribune.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

## Central Asia On a Road To Nowhere

By Gerald Segal

LONDON — Contemplating the collapse of the Soviet empire is not entirely a matter of totting up peace dividends. In between the good news of East Asian economic dynamism and European revival is bad news from Central Asia. The chaos in Afghanistan may be a forerunner of Central Asia's end of Russian power.

Riots in Tadjikistan earlier this year are not proof of the imminent collapse of Soviet control in the five Central Asian republics of the U.S.S.R. It is far from clear that even the peoples of the Caucasus will achieve full independence from Moscow. However, it does seem inevitable that the Soviet Union will grant more power to the Central Asian republics. That will likely feed the frustrations of the mainly Muslim population living under communism. The thought of such changes is beginning to cause ripples around the region.

Russian power in Central Asia is barely 150 years old, and few students of the area would claim that Moscow has successfully integrated the remnants of ancient khanates. Old and new powers look on with mixed emotions. Turks recall that it was the collapse of the Turkish empire that allowed the Russians to build up their domain. Iran may have religious reasons to welcome the decay of Soviet power, but it, too, fears the impact of possible cross-border fraternization among both sides' minorities.

The most pressing and potentially destabilizing challenges are posed to the two great powers of the region, India and China. As relations between Pakistan and India stumble back into old antagonisms over the disputed territory of Kashmir, one need merely recall the differences that these two South Asian states had over the war in Afghanistan to realize the risk of conflict that would arise if new Afghanistan were created in Soviet Central Asia. Pakistan might be tempted to extend its influence northward, while India would try to prevent its rival from becoming more influential.

China has already complained that failure of the Soviet Union to control distant fringes of its empire poses a threat to unity of the Chinese empire. The Chinese government's relations with its own Muslim population are increasingly strained, and there is continuing resistance in Tibet.

Now, with even Mongolia claiming to have embraced reform, those in charge of China's minority policy are more explicit than ever about the problems they face. The authorities in the western regions of China have stopped building new mosques and have set tighter curbs on religious activity.

If China can hold its empire together, the impact of a turbulent Central Asia on the international balance of power will still be felt. It will not be the old, familiar sort of conflict in which the superpowers played a dominant role. The Soviet Union and the United States have already made it clear to India and Pakistan that they do not want to see fresh conflict in the region. It is far more likely that there will be maneuvering for advantage by regional powers.

In this new political environment, there is no simple split between Islamic and non-Islamic communities, for the rivalries between some co-religionists are every bit as fierce as that with the heathen world. Afghanistan is an example of the viciousness of such disputes. Moscow learned a lesson from the war in Afghanistan: It is far better to withdraw from the morass and let the rival hands get on with their quarrels.

There is certainly little in the rest of Central Asia, including that portion still within the Soviet empire, to justify outside involvement. The natural resources of the region are not exceptional, the local inhabitants are fractious, and Central Asia, once the heart of the Silk Route between China and Europe, is now on the road to nowhere.

However, history suggests that strategic benign neglect of the area is unlikely. At a minimum, for the people of the region, a scramble for power of Central Asia will only accentuate the differences with the other fringes of Europe and East Asia, where prosperity is likely to develop apace. The hope for the sick zones must be that they will stay out of Central Asian disputes, although the risks are that they will not.

The writer is a research fellow at the Royal Institute of International Affairs and editor of The Pacific Review. He contributed this comment to the International Herald Tribune.

## 100, 75 AND 50 YEARS AGO

### 1890: Riots in Vienna

VIENNA — The papers comment upon the riots very much according to their tendencies, some seeing an anti-Semitic demonstration, others an outbreak of Socialists which will require stern repressive measures. All pay tribute to the strikers, who refused to join in with the mob, and on many occasions supported the police. It is to be hoped that the Government will continue to leave the strike to be settled between the workmen and their employers — an innovation in Austria for which the Kaiser personally is responsible.

### 1915: Fête Forbidden

LONDON — German churchiness prevented the people of Belgium manifesting their loyalty to King Albert on his birthday yesterday (April 8). Having learned that leaflets had been distributed in many houses asking people to wear national colors, General von Bodenhausen issued a

proclamation in which, although no specific reference was made to the King's birthday, the inhabitants were reminded that any assembly in the streets was forbidden, as well as the display of the Belgian flag or colors. Great enthusiasm was manifested by Belgians in Holland yesterday, as in England. At The Hague prayers were offered for the success of the Allies.

### 1940: Denmark Seized

COPENHAGEN — Dances in this ancient city awoke this morning (April 9) to find that their capital and country had been taken over by the Germans for what was officially described as "protection." The occupation occurred at about 6 a.m. Infantry, artillery and motorized units entered at seven different points in the country beside the capital. Denmark had no warning of what was coming. It has a ten year non-aggression pact with Germany — less than a year old — which the Reich government had asked for.



## OPINION

Bush Should Just Admit It:  
He's Been Wrong on China

By A. M. Rosenthal

WASHINGTON — In offices all through President George Bush's administration are men and women totally committed to him, affectionate and admiring, but who yearn for him to take the one step that national leaders find most difficult of all. That is to do at least once in public life what every intelligent human being must do throughout his private life: concede an error and change course.

At this moment, there are at least three leaders who are entwined in mistakes that they refuse to correct.

Day by day, Mikhail Gorbachev's policy of pressuring Lithuania by using

## ON MY MIND

force and threatening more force diminishes confidence that he will ever deal fairly with those nationalities that feel trapped in the Soviet Union and want to get out.

In London, Margaret Thatcher clings to a weird head tax that allows the poorest person in town the right of paying the same amount for public services as the richest. It has caused serious riots and threatens her achievements and her party's hold on office.

In Washington, President Bush cannot admit what so many of his friends in Congress and the administration have been saying for months: appeasement of Communist China has failed and should be abandoned. So the damage continues

to his own reputation and to the future of a people for whom he says he has a strong attachment.

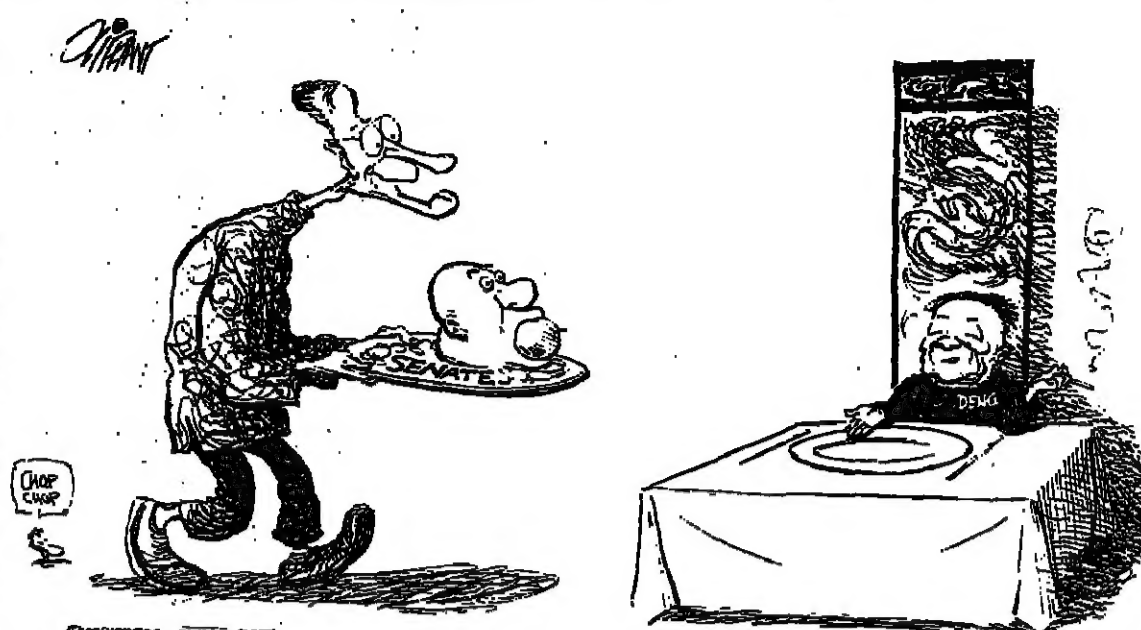
The Bush policy of trying to placate the top leadership of the Chinese Communist Party is almost a year old — almost as old as the massacre that ended student demonstrations in Beijing. From the beginning that policy was despised in Congress; he knows that. As time goes on it is opposed by more people within his own administration; given the tendency of officials not to upset any president too much, perhaps he does not know this.

The reasons he gave in the beginning are history. He promised that being nice to the Communist leaders, dealing with them at high level, promising economic goodies would persuade them to ease off on their own people, persuade them to try decent discourse with dissenters.

It has not happened. The decision to "lift" martial law was a farce. Under martial law, in a tyranny, lies just more martial law. Americans find that difficult to get through their heads.

The Chinese leaders did not react to kindness with kindness but with a kick in the American shin. The speeches of people like Prime Minister Li Peng get nastier and nastier about the intention to eliminate remnants of freedom, and about foreigners who might object.

Everything that appeasement was supposed to accomplish has been disdainfully rejected. No, Beijing will not



stop selling missiles to the Middle East. No, Beijing will not let Fang Lizhi, the dissident who took refuge in the American Embassy, leave the country. No, Beijing will not cease persecution of intellectual dissent. The opposite: Some students found out that they will be sent to work on the farms before being allowed to open college textbooks.

This will be a hard spring for the Chinese people as the anniversary of the June massacre approaches. Beijing is nervous. Nobody is as mean as a nervous bull.

In Washington, members of Congress will resume the fight against the appeasement policy. There will be hearings

on whether the Chinese Communists are illegally selling convict-made goods to America. The Chinese Communist privilege of receiving most-favored-nation export tariffs will be questioned.

It seems to be fearfully difficult for an American president to concede that a policy is wrong and change it. Apparently whatever makes a man president prevents him from saying he is ever wrong — not a comforting thought. Historians who were consulted could not give an example of that happening.

The reasons probably are fear of repudiation and loss of pride and face. But the Chinese leadership cannot do much more to its people without bring-

ing on another rebellion, or be more rude and rejecting to the United States.

As for loss of face, Mr. Bush can find out how false that fear is. All he has to do is invite everybody in his administration who opposes his Chinese policy to come forward and speak his mind frankly. He will need a bigger office. I think they might convince him that if he says the era of appeasement is over, and speaks and acts in opposition to Beijing's repression, his face will shine brighter than ever. And there he will be in the history books, the president who knew a mistake when he saw one, even if it was his own.

The New York Times.

If It's Dumb and Blind,  
It Can't Be Sensitivity

By Richard Reeves

WASHINGTON — The 9-year-old daughter of a neighbor came home from school one day a few weeks ago and asked her dad who was America's greatest scientist. "Albert Einstein, I guess," the father said. "Wrong," said the kid. "George Washington Carver."

"Black History Month," said the father to a bunch of other parents. We

## MEANWHILE

all laughed. My 5-year-old daughter had come from kindergarten the same day with a warning: "You better stop treating me like a slave."

I am told that this story, although true, might be considered insensitive. Gimme a break! Sensitivity is going too far around here these days.

Fifty-four congressmen signed a letter demanding that Billy Crystal be deported or something because at the Academy Awards ceremonies he told a Mafia joke that might offend Italian-Americans. Don't these guys have anything better to do? I don't like America as a polite conspiracy of silence.

I grew up in an Italian neighborhood in Jersey City — we didn't know about hyphens then — and the language on Orchard Street was more than a bit rougher than anything Mr. Crystal said. Actually, until I got to college I thought America was an Italian country — run by the Irish. That's the way it looked from there. I was very pleased to learn later that we ran it — white Protestants, that is.

The other day I stopped by downtown at the annual convention of the American Society of Newspaper Editors. There is, as you might expect, a newspaper for the conventioners each day, and the headline was: "Hiring of minorities shows little change."

The percentage of minority group members in newsrooms, according to a survey, had increased only a little during 1979 from 7.56 percent to 7.86.

Half the stories and news releases seemed to be about stuff like that. There was another survey on treatment of gay and lesbian reporters. One big story inside was the debate over whether to call blacks "blacks" or African-Americans. Having lived through the journalistic transition from "Negro" to "black," I am willing to go either way, although by my reckoning the category of African-Americans would include people who came from Morocco, Algeria, Libya, Tunisia, Egypt and South Africa.

That same story ended with this paragraph: "Although the term 'Asians' is widely accepted, a newer term, 'Asian-Pacific Americans,' is surfacing." I hope it sinks again.

The racial and minority problems of the United States today are not a matter of words and statistics — at least not of hiring statistics. The newspaper staffing percentages, by the way, have doubled in the past 10 years, from 3.95 percent in 1979 to that 7.86 percent.

A more relevant statistic now is that about 90 percent of the beggars and bums shaking Styrofoam cups or lying motionless outside the ASNE convention were black men, most of them relatively young. Whatever their problems or prospects, it won't help much to call them African-Americans.

Politesse, a fancy word for keeping your mouth shut, seems to be the '90s way of ignoring harsh realities about life in lean, mean America. That is true equally of the language of race and class. It is rude now — "the politics of envy," George Bush calls it disdainfully — to mention that rich people are screwing poor people in America. The new sensitivity operates on the assumption that if we don't talk about it, no one will notice racism or that fear of crime is really fear of young black men, often a justified fear, or that so much of America's national treasure is tilting toward the rich — what percentage of them do you think are white? — and that they can buy it, they way out of troubles like bodies in crime and crime in the streets.

The new sensitivity, in short, seems to me like self-imposed blindness. You are not supposed to see what you see in front of you.

One example: The "drug crisis" became a crisis to be talked about, with much waving of arms and beating of chests in polite society, only when it comes to young blacks switched from sedating narcotics like heroin to violence-producing stuff like crack cocaine.

I much prefer straight talk. I once received a valuable lesson in false sensitivity from a man named Tom McCall, who was governor of Oregon in the 1970s. We were both at dinner at a mutual friend's house in Portland, and our host said he had a neighbor who would like to meet us, a fellow in an iron lung. The man was one of the few who contracted polio from polio vaccine.

We went next door and I found myself mumbling like a fool, sensitive to the man's awful circumstances, trying not to look at him watching me and the world through the mirrors on that wheezing contraption. Mr. McCall walked up to him and said, "Wow! How did you get into a mess like that?"

The man broke into a smile and we all talked about what his life was about and what he was learning from it.

Universal Press Syndicate.

## LETTERS TO THE EDITOR

## Lithuania and the West: Moral and Other Obligations

It is wrong, at this time, for the West to back the independence claims of mutinous Soviet states. The world is currently experiencing the best chance it has had in decades to defuse international tensions and reduce the threat of a nuclear holocaust to a mere memory. If Mikhail Gorbachev goes, this chance could go with him.

A lax attitude on Mr. Gorbachev's part toward the rash action of the Lithuanian parliament would be tantamount to handing over the reins of power to the likes of Yegor Ligachev. The world must start realizing that it is finally dealing with a civilized man at the helm of this great power, and assist him.

HASSAN EL SAWAF,  
Cairo.

A lot is being written about the West's "hypocrisy" in dealing with Lithuanian independence. I wonder how far the indignant moralists think the West should go in supporting Lithuania. Is Lithuania worth a war? Is its independence worth the dangers of fiddling in

the affairs of a collapsing nuclear giant? It is fine to feel sympathy for "national aspirations," but immoral to make promises that can't or won't be kept.

TRACY DANISON,  
Suresnes, France.

At a time when the Soviet Union is trying to extort some \$33 billion from the Lithuanians in exchange for their freedom, members of Comecon might think of presenting bills for the tremendous pollution from the Communist system's rotten factories.

In a typical Comecon exchange, western winds have subjected the Ukraine to pollution from the Lenin works in Novosibirsk (most damaging to neighboring Krakow), while, on easterly winds, Russia sent its Comecon "comrades" Chernobyl fumes. The Communist authorities should be made to pay for four decades of such "windfalls."

W. A. BURKE MIALHE,  
Manila.

In view of the U.S. military intervention in Panama, how can George Bush

expect his warnings against the use of force in Lithuania to be taken seriously by the Russians?

EDUARDO SCHAMESOHN,  
Annemasse, France.

## On Israel's Legitimacy

Regarding "Jerusalem: Bush Returns the Spotlight to an Unsettled Issue" (Opinion, April 3) by Michael C. Hudson:

Israel's legitimacy as a state rests on its own Declaration of Independence on May 14, 1948, and on its admission as a member of the United Nations one year later, and not on the 1947 United Nations partition resolution.

It also should be recalled that the Arabs rejected outright the creation of a Palestine Conciliation Commission proposed by the United Nations at the end of 1948. After rejecting the partition resolution, they put all their cards on a gambit for violence, and then remarkably claimed they had a right to the terms of the resolution they had rejected.

When King Abdullah of Jordan illegally annexed the West Bank in 1950,

in violation of the armistice agreement negotiated the year before at Rhodes, residents of the territory were against the move because they envisaged their land as part of a future Palestinian state, and not Jordan. The United States never recognized this annexation; only Britain and Pakistan gave de jure approval.

Of course the United States "remains meticulously committed" to UN Resolution 242. But try and tell people like Saddam Hussein of Iraq and Hafez Assad of Syria that the resolution speaks of the rights of "every state in the area to live in peace within secure and recognized boundaries free from threats or acts of force."

BURT KEIMACH,  
London.

## Keeping the Wound Fresh

Concerning the young man in Virginia who fell behind in the \$1-a-week payments that he was sentenced to make for 18 years to the parents of a teenage girl killed in a drunken-driving accident (American Topics, April 1):

Such a sentence does nothing to promote reform, and it will keep the parents' wounds forever fresh. A term of community service would have been much more constructive.

KEVIN FRAZER,  
Paris.

## A Cheap Shot at Cats

A foul temper, Russell Baker, is not what you have ("They Horrificate, Too," March 30). If you did, you would go directly to your neighbors and make it clear that elegant neighborhoods do not have cats running about fouling their neighbors' gardens and work sheds. Cats should be confined to their homes, or walked in their gardens on a leash, as one would walk a dog.

Our cat has crossed the Atlantic by plane 19 times and has never forgotten her manners. She is healthy and happy and has no need to terrorize birds. I would suggest that you use your slingshot on your neighbors. Better yet, present your case verbally.

YOLANDA MAGAZZINI,  
San Gimignano, Italy.

Your success comes from taking risks.  
Ours comes from spreading them for you.



EFFECTIVE risk management requires close contact with stock markets around the world. Plus a sophisticated analysis of the political and economic pressures that move exchange and interest rates. And a keen eye for global investment opportunities.

Lloyds Bank International Private Banking, we have an expert international investment team, able to make quick investment decisions on your behalf. We ensure your funds are invested in the best possible way, balancing risk and return in line with your needs.

YOUR PRIVATE BANK  
Through a personal adviser, your account executive, you will have access to all the

skills and experience of a banking team represented in 40 countries, with contacts everywhere in the world. Nowhere will you be assured a more professional, discreet, efficient and personal service worldwide.

To find out more, please contact:  
Julio F. Rodriguez, 1 Place Bel-Air,  
1204 Geneva, or telephone (41-22) 307.3427.

Lloyds Bank  
International  
Private Banking

On March 16th SAS landed  
in the heart of Amsterdam.

Amsterdam has just granted its first true business hotel permission to land — permanently. The doors of the city's newest and most efficient hotel for the business traveller are now open. At the SAS Royal Hotel everything is designed with one purpose in mind: To give you the freedom to concentrate 100% on the job ahead.

At the SAS Royal Hotel you can choose between 4 different room design concepts: Dutch, Oriental, Scandinavian and Royal Club. All rooms have colour TV/video, personal answering machine, trouser press, hairdryer and minibar.

Now there's no doubt where you'll be staying the next time you're in Amsterdam on business; Rusland 17, NL-1012 CK Amsterdam. Tel: +31-20-231 231. For reservations call +31-20-520 8300.

SAS  
Royal Hotel  
AMSTERDAM  
The business traveller's hotel



You can find us in OSLO, STAVANGER, BERGEN, BODØ, TRONHØJ, COPENHAGEN, STOCKHOLM, ÅRLANDA, GÖTEBORG, MALMÖ, LULEÅ, HAMBURG, VIENNA, KUWAIT, BRUSSELS and AMSTERDAM. Reserve your room today through your travel agent, your nearest SAS office or directly with the hotel concerned.



**Put Your Advertising  
Message Where It's  
Guaranteed To Strike  
International Investors  
Again And Again.**

Don't delay. Place your advertising where it will have the greatest impact — in THE MICROPAL 1990 INTERNATIONAL FUND GUIDE.

**Herald <sup>INTERNATIONAL</sup> Tribune.**

But the world of tea has also long

hot water on the powdered green tea in ceramic bowls used by their

out the world. Most are followers of Sen Soughitsu's school.

marry a member of the imperial family is — well, it's just not tea."

## Manila Now Seeks 2d Escaped Rebel

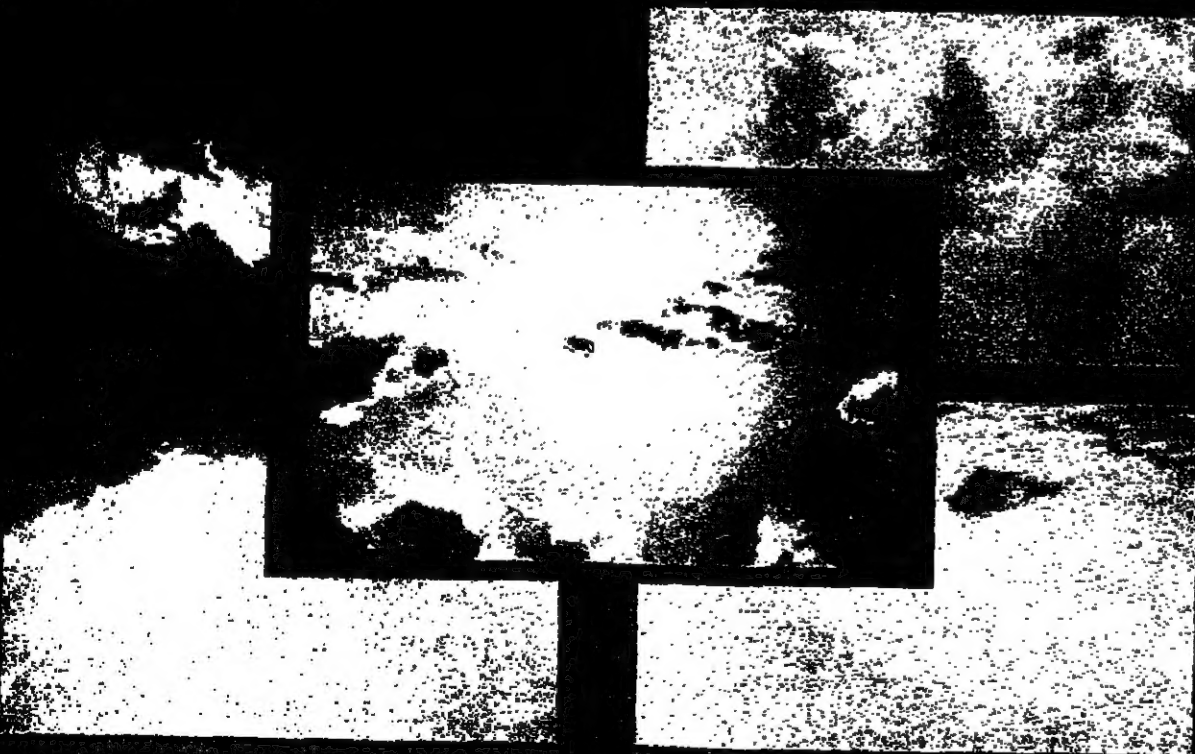
**PERSONAL INVESTING**  
IN THE IHT THE SECOND  
MONDAY OF EACH MONTH.

the military charged his deputy and two other guards with negligence over Commander Bibit's escape.

"We spitted in the face of the Aquino regime and urinated on the feet of her mercenary generals," the rebel soldiers said.

P.O. Box 3160 - EDMONTON - T5J2G7  
ALBERTA - CANADA.

---



T O G E T H E R  
W E B U I L D A  
COMMON EUROPEAN SKY

Born beneath the European sky, AEROSPATIALE, is part of a family as Great Britain, Germany, Spain and Italy. We all share the same sky and the same passion, which is to see our joint projects take to the air. Ideas are born and are exchanged between one partner and another - as equals speaking to equals - talking the same language: that of aeronautics and space technology.

aerospatiale



## East Germans Agree on Cabinet Makeup

By Serge Schneemann

New York Times Service

BONN — East Germany's new political leaders reached agreement Monday on the shape of a "grand coalition" government whose major task will be to lead the state to union with West Germany.

Three weeks after the country's first free elections, Lothar de Maiziere, the next prime minister and head of the Christian Democratic Union, announced that the government was virtually ready for presentation to the new parliament, which meets next on Thursday.

All that remains is for the participating parties to formally approve the cabinet, which they are expected to do Tuesday. The agreement essentially united the three major West German-backed groups in the new East German parliament — the conservative coalition led by the Christian Democrats, the centrist liberal coalition supported by the Free Democrats and the Social Democrats — for the two-thirds majority needed to make changes in the constitution.

The installation of the broad-based government will clear the last obstacle to the start of negotiations with West Germany on social, economic and monetary union. Officials in Bonn said the talks might open April 20, after the Easter break.

The new government will also make possible the formal launch of

Two-plus-Four negotiations between the two Germanys and the four World War II allies — the United States, Soviet Union, Britain and France — over the transfer of full sovereignty to a united Germany. The talks are expected to open with a meeting of foreign ministers, perhaps this month.

There were indications, however, that the new East German government may not prove as pliant as West Germany might have hoped. Although details of the coalition agreement were not immediately available, a working paper obtained by Reuters appeared to indicate differences on several key issues with Chancellor Helmut Kohl, potentially injecting added complexity into negotiations on unity.

The most troubling plank for Bonn was likely to be one calling for a one-to-one exchange of East German marks for Deutsche marks. Although Bonn has not made a formal decision, the central bank and the ministers of economy and finance have expressed preference for a two-to-one exchange, and the issue is shaping up into a major sticking point on the way to uniting the currencies by July 1.

The document called for monetary union to be accompanied by a merger of the states' social security systems and the abandoning of most state subsidies. It also called for East Germans to get 5 of the 18 voting seats on the governing council of West Germany's central Bundesbank.

The working paper also said a united Germany could remain in NATO, as favored by Mr. Kohl and the alliance, but only if NATO abandons its doctrine of forward defense and flexible response, under which the alliance reserves the option of using nuclear weapons.

The glimmer of an independent stand in East Berlin — especially on the issue of monetary union, which has become a central issue for many East Germans — indicated a coagulation among the newly elected politicians in East Germany that they were beholden not only to the West German parties that backed them, but also to the people who voted for them.

How that would affect the process of reunification, however, will likely become evident only when the negotiations begin.

The coalition agreement reached Monday called for Mr. de Maiziere's Christian Democrats to get 11 portfolios in a 24-member cabinet.

The Social Democrats, with the second largest block in parliament, would get seven ministries. The liberals would get three, as would the Christian Democrats' conservative allies. The acting head of the Social Democrats, Markus Meckel, was slated to become foreign minister, and the party would also get the finance, trade, labor,

postal, research and agriculture ministries.

The German Social Union was given the Interior and Development ministries, and Democratic Awakening the Ministry of Defense. The liberals were given the ministries of Justice and Construction, as well as a Structure Ministry charged with reintroducing the five states that used to comprise the territory that is now East Germany.

[Rainer Eppelmann, who leads Democratic Awakening, part of Mr. de Maiziere's alliance, was chosen defense minister. The Associated Press reported from Berlin. The ministry was renamed Defense and Disarmament, a symbolic reference to German demands for fewer nuclear weapons in superpower military strategy.]

[Mr. Eppelmann, a Lutheran minister and a peace campaigner who took part in the revolt against Erich Honecker, the former leader, will probably participate in talks on a united Germany's future role in Eastern and Western military alliances.]

The agreement on a grand coalition ended three weeks of maneuvering that began with the East German elections March 18. The "alliance for Germany" created by Mr. Kohl and led by the Christian Democrats won a stunning 48 percent of the vote. The Social Democrats won 22 percent, and the liberal coalition won 5.3 percent.



Milan Kucan, the Communist candidate, who won 44.4 percent of the vote Sunday, at a news conference Monday in Ljubljana.

## Runoff Will Decide Election in Slovenia

The Associated Press

LJUBLJANA, Yugoslavia — The northern Yugoslav republic of Slovenia will choose its first freely elected president since 1945 in a runoff between a Communist who advocates change and a conservative, first-round election results showed Monday.

With 98 percent of the results counted from the Slovenian presidential election Sunday, the Communist candidate, Milan Kucan, led with 44.4 percent and Jozef Pucnik, of a right-of-center opposition coalition, was second with 26.2 percent.

Ivan Kramberger, an independent who was considered an outsider before the election, was third with 18.9 percent and the Liberal Party candidate, Marko Demšar, was fourth with 10.5 percent.

Since neither Mr. Kucan nor Mr. Pucnik received an absolute majority Sunday, they will face each other in a runoff election on April 22.

An estimated 1.1 million Slovenians, or 75 percent of the eligible voters, voted in the first multiparty elections in Yugoslavia since World War II. There were candidates from 17 parties for the new Slovenian parliament and four candidates for the republic's president.

First-round results "suggest that Slovenians have opted for a peaceful transition from a single-party monopoly to a parliamentary democracy," said Mr. Kucan, a cen-

tral figure in the republic's democratization efforts.

Mr. Pucnik, a former dissident who spent seven years in Slovenian prisons in the 1950s for anti-communism, said he was confident of his chances in the runoff "because those who voted for Kramberger and Demšar will now probably vote for me."

He said he was satisfied with the first-round results because he until recently he had been virtually unknown in the republic.

Mr. Pucnik, a philosophy professor, returned to Slovenia last year after spending more than 20 years in exile in West Germany.

Analysts predict a close race between Mr. Pucnik, who backs a quick secession from Yugoslavia, and Mr. Kucan, who has called for a more cautious approach.

Initial results suggest that the Party of Democratic Renewal, which changed its name from the Communist Party in February, will become the largest single party in the multiparty legislature, but will face a tough opposition alliance of five conservative parties.

Official results of the parliamentary vote are expected by Tuesday or Wednesday, electoral commission officials said.

Slovenians have shown an increased desire to secede from Yugoslavia because they are unhappy with the country's slow pace of change.

## East Europeans Pull Back the Veil on Pollution

By Marlene Simons

New York Times Service

KATOWICE, Poland — In the depths of a salt mine, men, women and children lie in bed, bundled in coats and tugging at blankets.

In an upside-down world, they have come to this underground clinic to breathe clean, healing air.

Above ground, in more conventional clinics, doctors using portable inhalators administer moist and purified air to children.

"Whenever the smog is heavy, the wards fill up," said Dr. Henryk Kowalski, a laryngologist at a regional children's hospital.

Clean air has become a luxury in Poland and the industrial zones of Central Europe, which are beset by clouds of poisonous gases and dust.

As the secrets of the formerly Communist nations are revealed, this one may be the saddest:

In the years when rulers asserted that they were forming "a new socialist man," they were in many instances condemning this man to severe lung and heart disease, cancer, eye and skin ailments, and shorter lives.

In much of Central Europe, comprehensive health surveys are not yet available,

because Communist governments hid or ignored many medical statistics.

But from East Germany to Bulgaria, physicians, biologists and other health specialists are eager to talk. They say that diseases traceable to the poisoned environment are consuming a large portion of public health budgets and boding ill for future generations.

Visiting Western experts view Central Europe's widespread pollution as more dangerous than anything they have seen in the Western industrial nations. They also say that it occurs on a far greater scale than in the developing world, which does not have nearly as much industry.

A study of new mothers in the environs of Katowice and Krakow in southern Poland showed that each woman had placental concentrations of lead, mercury, cadmium and other toxic metals.

The author of the study, Dr. Josef Niewiarski of the University of Krakow, said more than half of the 1,000 placentas examined were deformed or damaged, "most likely by the high level of carbon monoxide and sulfur dioxide in the air."

The findings were all the more worrisome, he said, because "we studied only the most healthy mothers with normal births."

Another medical group is studying why

in this region so many babies are born prematurely or die in the womb. Its preliminary conclusions are that in at least 50 percent of the cases, chemical changes in the mother's blood leave the child short of oxygen.

In the former East bloc nations as well as in the Soviet Union, the quality of air, water and food has deteriorated sharply over the past two decades as heavy industries and vehicles have multiplied.

To Western experts, the polluting practices seem all the more ruthless because they increased after their dire consequences had already become known.

Experts said the equipment for controlling pollution from antiquated installations was in wide use and in some Central European countries was produced for export.

Poland's pollution is widely described as the worst.

The Polish Academy of Science said one-third of the nation's 38 million people lived in "zones of ecological disaster."

It said conditions were the most hazardous in the coal and steel belt of Krakow and Silesia.

The Choczow hospital is in Katowice and its sprawling environs, which have more than 1.5 million inhabitants. It seems to bear witness to the degradation.

Almost across the street is a vast steel mill that has left the air dry and scorching. The mill, a power station and a chemical plant form a hellish circle. The sting and smog from the plants were unmistakable inside the hospital wards.

Three members of the hospital board said there had been a sharp increase in cancer, heart disease and emphysema cases.

Statistics were scarce, but the board members said it was widely accepted that the life expectancy of adults in the region was four years below the national average.

"We have been telling the authorities about this for 20 years," said Dr. Jan Karm, director of health services.

"They always told us they were doing research, that they were putting in new technology. But they cannot fool us. We get the patients."

On a recent morning in the salt mine at Wietliza, near Krakow, people were resting in the dim light, surrounded by gray salt rock.

The air 650 feet (200 meters) underground felt chilly but moist and exhilarating.

Dr. Isabela Wroblewska pronounced it "as good for you as sitting in a strong sea breeze."

## Rushdie Trial Is Ruled Out

The Associated Press

LONDON — The High Court rejected on Monday a bid by the British Muslim Action Front to prosecute author Salman Rushdie and his publishers, Viking Penguin, under Britain's ancient blasphemy laws for his novel "The Satanic Verses."

A panel of three judges upheld a lower court decision not to issue summonses against Mr. Rushdie and his publishers, saying the chief metropolitan magistrate, Sir David Hopkins, ruled correctly last year that blasphemy laws apply only to the Christian religion.

Many Muslims believe Mr. Rushdie's novel blasphemes Islam.

Mr. Rushdie has been in hiding since Feb. 14 last year, when Iran's late spiritual leader, Ayatollah Ruhollah Khomeini, called on Muslims to execute him.

Somedays I like to be chauffeur-driven in my beach buggy

When I'm by the beach, I like to be chauffeur-driven in my beach buggy, so I can catch a bit of the salt air.

PENANG MUTIARA  
ESTAR BEACH RESORT

PENANG • MALAYSIA  
Telephone: 04-812628 • Telex: MA 4029 PMBR • Telex: 04-812628

one of "The Leading Hotels of the World" and U.I. International

Herald Tribune

Reaching More Than a Third of a Million Readers in 164 Countries Around the World.

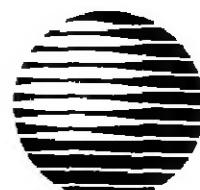
# Quick! Who did you call on the night of May 25th?

Previous Balance		Credits/Payments
\$43.99		\$45.99
Ref. No.	Item No.	Description of Charges and Credits
5164-0		PAYMENT RECEIVED—THANK YOU
6041		AT&T CARD CALL
		FR GE TO 212555+772
		71290116 TIME 1145 DATE 05
16041		AT&T CALL
		FR 4555
76041		AT&T CALL
		FR 4555
96041		AT&T CALL
		FR 4555
96041		AT&T CALL
		FR 4555

If you're an American living abroad\* and you need to keep track of your calls, you really ought to get the AT&T Card. First of all, you get a monthly itemized bill. A new option even lets you bill your AT&T Card calls to your American Express® Card account.\*\* Or, you can choose to be billed to your VISA® or MasterCard®\*\*\*. In addition to itemized billing, the AT&T Card makes it easy to reach family, friends and business associates in the States. And, you can take advantage of AT&T USADirect® service, which gets you through to an AT&T Operator in seconds. For an AT&T Card application, call us collect at 816 654-6004 Ext. 60, or write to AT&T Card Operations, P.O. Box 419395, Kansas City, MO 64141-0434. So if you want to know who you called, get the AT&T Card.

\* Exclusively for U.S. citizens living abroad with valid U.S. passports and Social Security numbers.  
\*\* Billing will be in the same currency as your American Express statement.  
\*\*\* Must be issued by a U.S. bank.

The AT&T Card lets you keep track of your monthly calls to the States.



AT&T  
The right choice.









From left, Geoffrey Beene's jumpsuit and brief bolero; Perry Ellis dress and crocodile pattern unit; Bob Mackie dress with sunburst motif; jigsaw pattern dress by Christian Francis Roth, and Donna Karan's 1990s bodysuit.

# American Designers Play It Bright, Brief and All-In-One

**NEW YORK** — American designers are playing a new tune. Instead of two, three or four easy pieces, fashion for the 1990s comes all-in-one as a jumpsuit, an elongated jacket-with-leggings or just a simple dress.

On a wild, wet and windy night in Manhattan, Christian Francis Roth, a 21-year-old designer breaking bud with his first col-

lection, clarified the new ideas. His baby doll shifts, naively decorated, topped by brief boleros and interspersed with jersey jumpsuits, made a collection of outfits that were hardly ever in two pieces. Roth's clear colors and short hemlines emphasized the other strong stories of New York's fashion week: that bright and brief are beautiful.

The Seventh Avenue season had no fashion fireworks or flops, but designers renewed classic sportswear by making two into one and bringing a sloppy silhouette close to the body-line. Above all, the New York fashion week trumpeted the return of the dress.

The measure of each collection could be speculated by how well a designer responded to changing times. Geoffrey Beene, whose fragile silhouette was never really attuned to androgynous fashion and a mannish, over-size silhouette, sent out a magical collection Friday — spun from airy fabrics so that even a neat black suit had spotted tulle wrapped at the throat or an asymmetric tunic and skirt had a feather-light stole.

The Beene jumpsuit, one of the tenets of his fashion beliefs since the 1960s, looked thoroughly modern, cut taut at the shoulders, easing out gently with the woman's figure. Over it went the tiny bolero that is another Beene signature. He made a similar coupling with neat dresses, often sliced away to leave an apron bib at the front and a bared back, or delicately trussed with narrow ribbons. Full-skirted, tiny-waisted party dresses made a girly silhouette that is not for

everyone, but in their brooch lightness they were wonderfully well done.

"The show was a standout because the message is modern and body-conscious," said Joan Kaner of Neiman Marcus, one of the fashion pros for whom Beene's show rounded up six weeks of international collections. "Whether the focus is on the legs or the bosom, fashion now is about the body."

Donna Karan sees the body from a woman's point of view. She puts a jumpsuit or unitard as a base under swingy coats, poncho tops, shawls and throws. But the result always looks easy and luxurious and never sexist. Starting with feathery alpaca and soft jersey, on through tweedy knits (looking droopy), through velvet and jet emeralds, by way of sheared mink, she tends to repeat all the shapes in all the fabrics and colors. In a season of strong color, Karan used instead tones of gray from steel to anthracite, and beige to chocolate brown.

Isaac Mizrahi is prepared to do and dare, all too rare in New York shows. He started off with winners — a series of jackets in clear, sweet colors — pistachio with coral and peach, cornflower with hyacinth or variegated greens. They were layered over snowy white tops and leggings, sometimes with a one-button micro-skirt around the hips. Lynn Mamlis of Martha boutique called the look "mouthwatering." "We think he is the future," she said.

Mizrahi had a lot of ideas: a gossamer-light fine-wood fringed poncho, teddy-bear fur jackets, brief tunics with castellated hems and calf-length dresses, split or fringed at the hem. These were all worn with leggings, some thickly cabled. Other accessories included sequined skull caps and a Star of David pendant. The overall effect was of a lively talent, although the ideas could sometimes have been better realized. At night, crows slithering down at the back often showed their insides and cabled sweaters with cloque skirts looked lumpy.

Calvin Klein's collection was safe to the point of tedium. He sent out perfectly proportioned jackets, pants and sarong-

wrapped skirts, and he made them in the kind of colors that make you think of New England in the fall and the Hamptons on the weekend. Check tweeds and shepherd plaids were quiet, riding mares plain, sweater sets effortlessly luxurious with ropes of cable and colors that ran from golden yellow and olive, through rust to brown. Three short shearing coats in baked mud colors over dairy cream pants and a camel duffel coat with sable hood almost brought the show to life.

Klein's "jacket dress," an elongated shape worn on its own as a dress, was the beginning of a new direction. But there were none of the shorts, leggings or body suits that are refreshing classic sportswear elsewhere. On the most beautiful models in the world, Klein's resolutely plain T-shirt dress in black sequins, slip dresses in gold lace, and black velvet strapless sheath looked terrific.

The design strength of Marc Jacobs is to give the Ivy League casuals of Perry Ellis a funky, urban chic. Sweaters with a skyscraper skyline and the same silhouette in sequins gave notice that Jacobs is city slick. His knits were patterned like crocodile skin and shaggy over a tunic dress or knitted in thick cable and put with skinny pants. The faintest whiff of the 1960s came in a sequined shift teamed with a tailored navy pea jacket and in the cute paisley and foulard print pleated or scarf fringed skirts.

"So much of American sportswear is based on outdoor looks in city fabrics, and our customer is going to love wearing these clothes," said Kai Rutenstein of Bloomingdale's, summing up the New York fashion week.

**MICHAEL KORS** did all that splendidly, lighting up gray flannel with silver sequins and giving just a sprinkle of spice to his sportswear silhouette by scooping a sweetheart neckline and nipping in the waist on a perky suit. He had the short trench over narrow pants, the cabled sweater dress, the short riding mac, the tunic dress, the tunic in softest suede, quilting for variety and hoods

on everything. The sportswear de luxe looked especially fine at night, when mouseline skirts wafted over bodysuits and wrestler-back skinny dresses allured under satin coats.

Ralph Lauren has that ability to stick to his track yet change lanes, which is the mark of a great designer. His show started off with rubber waders and American Indian blanket coats. It moved on with a military theme to bring khaki tailoring, French naval outfits and aviator leather — a fabric not normally part of Lauren's American fashion dream.

For all the changes, and in spite of the hard-edged uniform theme which included a Sam Browne belt as an accessory, Ralph Lauren kept a gentle image, making his navy suits just graze the body line below a funnel neckline, and showing the only convincing long skirts in New York. The military theme got heavier at night when capes came over jackets complete with buttons and braid.

Oscar de la Renta, like all the uptown designers, does not pretend that women want to dress down. His parka in purple, yellow and red striped silk will never receive more than a sprinkle of snow as it steps out of a limousine. His three-quarter silhouette will do as much as cosmetic surgery to give a youthful lift. Quilted coats or short trapezes, swinging over jersey chemise dresses had a faintly Russian feel, and this sophisticated ethnic look came over strongly at night with colorful watered silk coats worn over dresses sequined with the same pattern of Oriental flowers. The designer's skill was to lighten the opulence with slivers of simplicity: little black dresses decorated with nothing more than a tasseled belt or a cascade of sparkling earrings; silken caftans as hippies never wore them; slim dresses draped at the back.

Carolynne Roehm worked hard below the waist. She loosened up her silhouette by making jackets flare out over A-line skirts or by offering the cocktail dress with a much fuller skirt. The tailoring looked fresh, and the quiet colors, in iridescent metallic shades, were classy, especially when gray flannel was topped with chinchilla or a gold-

en sable trapeze followed draped columns of molten gold and silver.

Arnold Scaasi's show had a sensational opening of Dalmatian patterned suits and matching dogs on stage. The ebullient designer buried color — turquoise, grass-green, purple, scarlet — at his audience; his focus was on dressing up — short dresses decorated within an inch of their lives, with lace, sequins and tufts of feathers.

Bob Mackie, who dresses half of Hollywood, played it relatively cool, with his homage to American folk art: a log cabin quilt of a coat, patchworked velvet on a cardigan jacket, sunbursts of beading around a midriff or breaking down the front of a bolero. It was all good, gaudy fun, and the fringed coat, with American Indian embroidery on the back or the final scene of towering feather headresses, are best described, in Mackie's own words, as "Pow! Wow!"

Ellin Saltzman, Macy's fashion director, summed up the New York season in three words: "Short, legs, color." Those are the dominant themes of international fashion from the first shows of the new decade.

## STYLE MAKERS



Sigourney Weaver

### Accessories

#### IVANA AND THE MODELS

**NEW YORK** — Ivana Trump is planning to do more than to lend her face and the Plaza Hotel to the fashion shows. She will launch an accessories line under her name (Ivana, not Trump). It can be expected to follow her taste in decor at the Plaza, where the chandeliers now come in electric-blue.

On the day the news of Ivana's business venture filtered out — the day that The Donald opened his Taj Mahal casino in Atlantic City — the people who matter in Manhattan were at the fall collections. Success for Oscar, Bill and Carolyn is measured as much by the

Ladies in the Lineup as by what is actually shown on the runway.

New York's fashion stylemakers are partly the models. In no other city is such drooling attention given to the "girls" — statuesque Linda Evangelista, gazelle-like, fawn-faced Cindy Crawford, lanky Naomi Campbell and sexually ambivalent, pole-thin Brinja.

But the models are paid to show the clothes. Famous names in the audience can endorse a designer's image. Nancy Kissinger was at Carolina Herrera's show; Sigourney Weaver and Bianca Jagger were at Calvin Klein's; Oscar de la Renta had Stephen Sondheim and Jerome Robbins. Socialite Nan Kempner was everywhere and Ivana Trump changed her outfit

and her seat at each show held at her Plaza Hotel empire.

Suzy Menkes

**ESCADA**  
in Paris at  
**Marie-Martine**  
SPRING/SUMMER  
COLLECTION  
15% export discount  
8, rue de Sévres, Paris 6th.  
Tel: (1) 42 22 18 44

### ACROSS

- 1 Plan expenditures
- 7 Last letter found in London
- 10 Snug as a bug in
- 14 Disinclined
- 15 Chopper
- 16 Ship on which Columbus returned 1492
- 17 Tell

### DOWN

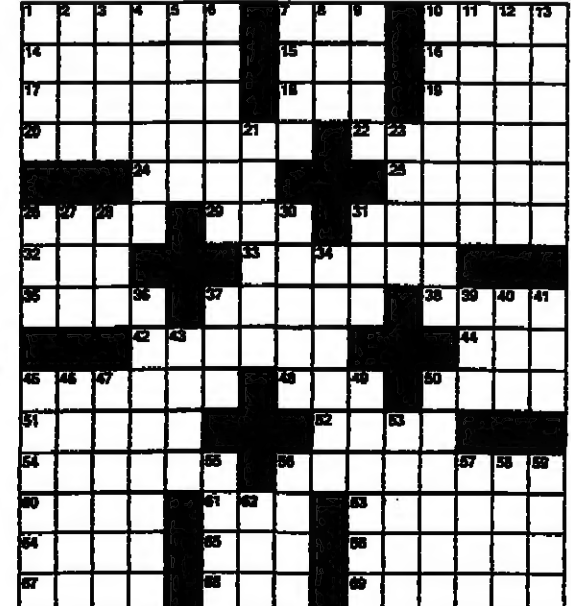
- 18 Wedding-news word
- 19 Sarcastic
- 20 Pertaining to a spinster
- 22 Unkempt
- 24 Gaelic
- 25 Beast
- 26 Showy ornament
- 29 Bark sharply
- 31 Sideboard display
- 32 Hooter

### ACROSS

- 33 Observance of correctness
- 35 Widebeasts
- 37 Applied a match anew
- 38 Goad
- 40 Bicycle built for two
- 44 Pub pint's contents
- 45 Certain parrots
- 46 Polka follower
- 48 Brought up
- 51 Exercised
- 52 Indian garb
- 54 Fool
- 58 Angels
- 60 Capricorn symbol
- 61 Possible habitat of 35 Across
- 63 Imagine
- 64 Nobelist Wiesel
- 65 Old Tokyo
- 66 Fuss
- 67 Moscow news group
- 68 Understanding
- 69 Bone hollows

### DOWN

- 2 Eye part
- 3 Where to find a hero
- 4 Rated
- 5 Organic compound
- 6 Minute
- 7 Clown
- 8 English stream
- 9 Stag or doe
- 10 Popular word game
- 11 Opening of the mouth
- 12 An Eastern Church member
- 13 Thingamabob
- 21 Jumped
- 23 Beams and Burrows
- 26 A warning nation of Revelations
- 27 Grass bristle
- 28 Eskimo knife
- 30 Whined
- 31 Small bird
- 34 Full of chinks
- 36 Laws
- 37 Hosp. group
- 39 Norm
- 40 Rubber tree
- 41 Roulette color



© New York Times, edited by Eugene Maletsky.

## BY TAP AIR PORTUGAL

If you have a passion for travel. If refinement to you is just a way of life. If, wherever you are in the world you want to feel in heaven from the moment you check-in to the moment you arrive. And, when you arrive, you want to feel ready for anything. Business or pleasure. Fly the airline from the country that made travelling fashionable. It has a style that is unique and unmatched. Take anyone who flies TAP Air Portugal. Their reaction is always the same. Ecstatic.

FLYING THE WORLD  
YOUR WAY









TUESDAY, APRIL 10, 1990

Page 11

## INTERNATIONAL STOCKS

### In the Rubble of Tokyo, Some Survived Unscathed

By Jonathan Fuerbringer  
New York Times Service

**NEW YORK** — In the rubble of the Tokyo stock market — now down 21.9 percent for the year — there are stocks that are doing well. They resisted the downturn and some of them, especially electronics stocks, are now recommended by analysts in Tokyo and elsewhere as the way to beat an otherwise miserable market.

In addition, the wave of selling has brought some other stocks far enough down in price to make them attractive again. The survivors include the favorites of speculators, like Meiji Shupping, which is rising although its price is at almost 1,000 times earnings; the good small companies, like Konami Industry, which makes arcade-game software, and Keiyo, a do-it-yourself home-improvement store, and those companies riding on renewed demand, like Shimano Industrial, the bicycle-parts maker.

But the list also includes household names like Sony, Nintendo, Canon, Hitachi, Panasonic, Pioneer and NEC that have been lifted by the rush to healthy electronics and communications companies with good export prospects.

NEC, which makes communications equipment and personal computers, is up 20 percent this year. Hitachi, which has introduced a new mainframe computer, is up 15 percent. Pioneer, the radio and television manufacturer, is up 11 percent. Outdoing them all is Kyocera, up more than 44 percent, partly on the profit potential from its 25.5-percent holding in DDI, the chief challenger to Japan's telephone company, NTT.

The others, including Sony, Canon and Panasonic, the American arm of Matsushita, are down only slightly, and renewed investor interest should push them back up very soon.

"It just goes to show that there is someplace to hide," said David Warren, executive vice president of Rowe Price Fleming in London, which manages a fund that has just started buying the electronics stocks.

One reason these stocks survived is that they were generally unpopular for years, ignored in the wave of buying that left the Tokyo market at a record high on the last trading day of 1989.

**IN THAT FRENZY**, which sent some companies to price-earnings ratios as high as 200, the most popular companies — from real estate to railroads — owned land, especially in Tokyo, that was rising in value at phenomenal rates.

Financial companies, which were buoyed by the low interest rates in Japan, also were in on the ride up. While the Nikkei-225 stock index rose 236.7 percent from 1985 to the end of 1989, Canon was up 49 percent and Hitachi 78.8 percent. Kyocera was down almost 17 percent. Sony and Pioneer did rise more than 150 percent — still well below the Nikkei.

But now this asset-focused buying binge is over. Interest rates are at their highest levels in years and the Bank of Japan is doing all it can to halt the boom in land prices.

All these factors make electronics companies, including makers of microchips, attractive again. They have good, consistent earnings potential; many of them have price-earnings ratios in the 20s and 30s, below current averages in the 40s and 50s.

And the weakness of the yen means that these export-oriented companies will be very competitive abroad, adding to their earnings outlook.

"Investors will pay more attention to technology than assets," said Yuichi Kobashi, executive vice president of Daiwa Securities America Inc.

Other stocks did not weather the downturn but look attractive now because their sharp decline — by as much as 60 percent — has transformed them from overpriced to fairly priced.

Their price-to-cash-flow ratio is down to 20 or less, well below the market average of 35. Ron Napier of Salomon Brothers in London has identified 136 of these companies, including well-known names like Nippon Steel, Bridgestone and NTT.

## Bankers Aid Yen, Gingerly

### Intervention Stirs Confusion

By Lawrence Malkin

**NEW YORK** — Central banks moved gingerly Monday to bolster the Japanese yen by buying it in foreign exchange markets, but they waged a phony war that traders said might drag on for several weeks.

Japanese officials tried unsuccessfully to make international support appear more powerful than it really was.

After the weekend communique by the Group of Seven finance ministers, which focused on the weakness of yen but made no firm promises to do anything about it, foreign-exchange traders expected at least some official intervention. That was all they got.

"What we have is an uneasy peace," said Tim O'Dell, chief international strategist at UBS-Phillips & Drew Securities in London. He remarked that anxious traders were waiting for the central banks' next card — if it came at all.

The yen hovered around 156 or 157 to the dollar on the world's currency markets as five European central banks sold yen for dollars, followed then by the Federal Reserve Bank of New York.

When it intervened, the Fed paid exactly 157 yen per dollar. Traders found that cheap and snapped up the dollars, partly defusing the exercise.

The dollar closed at 158.135 yen in New York on Monday, up from Friday's close of 157.700. The U.S. currency, which was mostly lower against other major currencies, closed at 1.6930 DM, down from 1.6943 DM.

"People want dollars because there are good investment opportunities here in bonds," said Steve Flanagan, Manufacturers Hanover's chief spot foreign exchange trader.

Most financial markets were nervous and confused, and major players therefore stayed on the sidelines. Wall Street, London and Frankfurt moved more or less sideways, failing to follow the sharp rise of 3.6 percent in the Tokyo stock market's Nikkei index.

U.S. Treasury and corporate bonds weakened in advance of a heavy schedule of official action.

See DOLLAR, Page 12

## At G-7 Meeting, Blunt Words For Japan: Raise Your Rates

By Hobart Rowen

**WASHINGTON** — Japan was bluntly warned by its major financial and economic partners at the Group of Seven meeting in Paris to stabilize its own currency and stock markets by raising interest rates.

"We told them that without action on your side," an important official said, intervention alone to prop up the yen "won't work."

Participating with Japan in the Saturday meeting were finance ministers and central bankers from the United States, West Germany, France, England, Italy, and Canada.

In a communique, the Group of Seven, while promising in principle to continue coordinating economic policies among their countries, including intervention to stabilize the weak yen, rejected Japanese petitions for stronger action.

That might have included stepped-up intervention, as well as a reduction in American interest rates that would ease the pressure on Japan for further increases in interest rates beyond a 1-point advance announced last month. That step had long been urged by the Bank of Japan, but rejected for political reasons prior to the Japanese lower house election.

European officials from G-7 countries said in private interviews after the one-day session in Paris that they expected financial markets would take a negative view of the G-7 statement. As one noted, "We didn't do anything except say some words — but what could we do?"

Monday's initial exchange-market response showed a hesitancy to interpret the meaning of the G-7 policy. In Tokyo and New York on Monday, the yen strengthened slightly, and the dollar weakened a bit in thin trading. The Nikkei average of 225 industrial stocks rose 1,119.15 points on Monday to close at 30,397.93, a gain of nearly 4 percent.

The G-7's failure to take decisive steps to halt the slide of the yen — which the ministers and central bankers regard as unjustified — was attributed by G-7 sources to several factors:

Intervention, without a change in basic policies — such as a boost in Japanese interest rates — would be futile.

While all still favor exchange-rate stability as a main goal, there is a growing feeling that perhaps too much attention has been given to exchange-rate changes as the driving force behind the adjustment of trade deficits and surpluses.

Treasury Secretary Nicholas F. Brady, for one, has observed that the U.S. trade deficit narrowed despite the strong dollar over the past several months. Others, however, flatly predict that the Japanese global trade surplus will soon expand sharply to reflect the weak yen.

The sharp decline in the Japanese stock market since the start of the year has so far not spread to other markets, indicating the possibility that the financial weakness is uniquely a Japanese phenomenon.

"Stocks were wildly overbought," said one official.

sure on Japan for further increases in interest rates beyond a 1-point advance announced last month. That step had long been urged by the Bank of Japan, but rejected for political reasons prior to the Japanese lower house election.

European officials from G-7 countries said in private interviews after the one-day session in Paris that they expected financial markets would take a negative view of the G-7 statement. As one noted, "We didn't do anything except say some words — but what could we do?"

Monday's initial exchange-market response showed a hesitancy to interpret the meaning of the G-7 policy. In Tokyo and New York on Monday, the yen strengthened slightly, and the dollar weakened a bit in thin trading. The Nikkei average of 225 industrial stocks rose 1,119.15 points on Monday to close at 30,397.93, a gain of nearly 4 percent.

The G-7's failure to take decisive steps to halt the slide of the yen — which the ministers and central bankers regard as unjustified — was attributed by G-7 sources to several factors:

Intervention, without a change in basic policies — such as a boost in Japanese interest rates — would be futile.

While all still favor exchange-rate stability as a main goal, there is a growing feeling that perhaps too much attention has been given to exchange-rate changes as the driving force behind the adjustment of trade deficits and surpluses.

Treasury Secretary Nicholas F. Brady, for one, has observed that the U.S. trade deficit narrowed despite the strong dollar over the past several months. Others, however, flatly predict that the Japanese global trade surplus will soon expand sharply to reflect the weak yen.

The sharp decline in the Japanese stock market since the start of the year has so far not spread to other markets, indicating the possibility that the financial weakness is uniquely a Japanese phenomenon.

"Stocks were wildly overbought," said one official.

Foreign exchange trading throughout the Pacific was volatile. In Wellington, the first market to open, the dollar hit an intraday high of 159.60 yen. It fell to the 155 yen level later in Tokyo before rebounding.

The U.S. currency finished here at 156.45 yen, a loss of 1.25 yen from Friday's New York close.

The Bank of Japan intervened heavily throughout the day, traders said, in an apparent effort to buttress Tokyo's optimistic view of the G-7 talks. Estimates of its dollar sales ran to \$500 million in the morning session alone.

Mr. Hashimoto, citing the Bank of Japan's support, also said that Tokyo planned no further rises in interest rates in its effort to defend the yen. The statement was seen as further damaging the credibility of Japanese monetary authorities.

Yasushi Mieno, the Bank of Japan's governor, said late Monday that Tokyo had made no commitment to hold rates at current levels. It was an apparent effort to reduce the impact of Mr. Hashimoto's comment, but analysts nonetheless remained worried.

The Nikkei average of 225 industrial stocks rose 1,119.15 points, to 30,397.93 on Monday, a gain of almost 4 percent.

Foreign exchange trading throughout the Pacific was volatile. In Wellington, the first market to open, the dollar hit an intraday high of 159.60 yen. It fell to the 155 yen level later in Tokyo before rebounding.

The U.S. currency finished here at 156.45 yen, a loss of 1.25 yen from Friday's New York close.

The Bank of Japan intervened heavily throughout the day, traders said, in an apparent effort to buttress Tokyo's optimistic view of the G-7 talks. Estimates of its dollar sales ran to \$500 million in the morning session alone.

Mr. Hashimoto, citing the Bank of Japan's support, also said that Tokyo planned no further rises in interest rates in its effort to defend the yen. The statement was seen as further damaging the credibility of Japanese monetary authorities.

Yasushi Mieno, the Bank of Japan's governor, said late Monday that Tokyo had made no commitment to hold rates at current levels. It was an apparent effort to reduce the impact of Mr. Hashimoto's comment, but analysts nonetheless remained worried.

The Nikkei average of 225 industrial stocks rose 1,119.15 points, to 30,397.93 on Monday, a gain of almost 4 percent.

## 42 Nations Set Terms of Bank For East European

By Carl Gewirtz

**PARIS** — The countries forming a bank to finance the transition to democracy in Eastern Europe agreed Monday on the new organization's charter, but not on a site or a leader.

The European Bank for Reconstruction and Development is to be officially launched at a signing ceremony here on May 30.

Jacques Attali, economic adviser to President Francois Mitterrand of France, told a news conference that the delegates of the bank's 42 shareholders had completed work on the 58 articles of agreement and that only two issues remain outstanding: who will head the bank and where it will be sited.

He said these questions would be resolved before the May 30 meeting. The answer to both will be found within the European Community, whose 12 member states along with the EC Commission and the European Investment Bank, will own a 51 percent majority of the new bank.

Central and East European countries — the seven Warsaw Pact nations plus Yugoslavia — will together own 13.5 percent of the bank.

Non-EC countries of Western Europe will have a 10.7 percent collective shareholding.

The United States, the largest single shareholder, will own 10 percent. Japan and the four largest EC nations will each hold 8.5 percent.

The bank will be capitalized at 10 billion European currency units (\$8.29 billion), a composite unit based on most EC currencies, and one-third of the capital will be paid in with the remainder on call. Subscriptions can be paid in cash or with promissory notes.

To accommodate the United States, which said it could not make a funding commitment if the amount in dollar terms was not stable, it was agreed that subscriptions can be paid in Ecu dollars or yen. The conversion values would be subject to revision whenever shareholders approve a capital increase.

The majority of the bank's lending — 60 percent — will be devoted to financing development of the private economy, such as privatization of state enterprises, mergers and acquisitions and joint ventures. The remaining 40 percent will be earmarked for financing infrastructure investments, such as roads, transport and telecommunications.

The Soviet Union will be a full member of the bank, with a 6 percent shareholding, but will only be eligible for loans totalling the amount of its paid-in capital for period of three years. This restriction can be lifted after three years with the approval of 85 percent of the member countries, Mr. Attali said.

The role of the Soviet Union was one of the last issues to be settled. At the first session to set terms for the bank, in January, the United States objected to full participation by the Soviet Union unless it met Moscow's major market-restructuring demands. The Soviet Union's decision to accept the bank's terms reflects concern that the financing requirements of the Soviet Union could overwhelm the resources of the new bank.

Mr. Attali said the criteria for a loan decision will be "purely economic," provided the country can provide a commitment to a multiparty democracy, pluralism and a market economy.

Voting within the bank will be based on a simple majority. An 80 percent majority weighted by votes, however, will be required to amend the statutes.

Central and East European countries — the seven Warsaw Pact nations plus Yugoslavia — will together own 13.5 percent of the bank.

Non-EC countries of Western Europe will have a 10.7 percent collective shareholding.

The United States, the largest single shareholder, will own 10 percent. Japan and the four largest EC nations will each hold 8.5 percent.

The bank will be capitalized at 10 billion European currency units (\$8.29 billion), a composite unit based on most EC currencies, and one-third of the capital will be paid in with the remainder on call. Subscriptions can be paid in cash or with promissory notes.

To accommodate the United States, which said it could not make a funding commitment if the amount in dollar terms was not stable, it was agreed that subscriptions can be paid in Ecu dollars or yen. The conversion values would be subject to revision whenever shareholders approve a capital increase.

The majority of the bank's lending — 60 percent — will be devoted to financing development of the private economy, such as privatization of state enterprises, mergers and acquisitions and joint ventures. The remaining 40 percent will be earmarked for financing infrastructure investments, such as roads, transport and telecommunications.

The Soviet Union will be a full member of the bank, with a 6 percent shareholding, but will only be eligible for loans totalling the amount of its paid-in capital for period of three years. This restriction can be lifted after three years with the approval of 85 percent of the member countries, Mr. Attali said.

The role of the Soviet Union was one of the last issues to be settled. At the first session to set terms for the bank, in January, the United States objected to full participation by the Soviet Union unless it met Moscow's major market-restructuring demands. The Soviet Union's decision to accept the bank's terms reflects concern that the financing requirements of the Soviet Union could overwhelm the resources of the new bank.

Mr. Attali said the criteria for a loan decision will be "purely economic," provided the country can provide a commitment to a multiparty democracy, pluralism and a market economy.

Voting within the bank will be based on a simple majority. An 80 percent majority weighted by votes, however, will be required to amend the statutes.

Central and East European countries — the seven Warsaw Pact nations plus Yugoslavia — will together own 13.5 percent of the bank.

Non-EC countries of Western Europe will have a 10.7 percent collective shareholding.

## Time-Warner Signs Accord With Pathe

**BURBANK, California** — Warner Bros. Inc., a subsidiary of Time-Warner Inc., and Pathe Communications Corp. said Monday that they entered into a film distribution agreement that will provide funds for Pathe's proposed \$1.2-billion acquisition of MGM/UA Communications Co.

Warner will handle the worldwide theatrical, television and home-video distribution of existing United Artists titles and future films produced by Pathe and MGM/UA, the firms said.

In addition, Warner Bros. and Time-Warner will arrange for a \$650-million bank loan, or provide a bridge loan, to MGM/UA, the companies said.

The loan to MGM/UA will be secured by the United Artists film library and guaranteed by Time-Warner. MGM/UA will use the loan proceeds to purchase certain assets of Pathe, which in turn will use the funds for its acquisition of MGM/UA, Warner and Pathe said.

Analysts had questioned Pathe's ability to raise funds for the MGM purchase. But Pathe, which is controlled by the Italian financier Giancarlo Pirelli, had said that it would finance the deal in part by selling or licensing certain MGM/UA assets.

The accord is subject to the completion of Pathe's proposed acquisition of MGM/UA and certain other conditions, the companies said.

**TOKYO** — The head of America's largest automaker warned Monday that Japanese companies should import more from the United States, or a new trade agreement could backfire.

After months of negotiations, the United States and Japan last week signed an accord aimed at opening Japan's market to more imports and cutting Japan's huge trade surplus.

Roger Smith, the chairman of General Motors Corp., said the agreement "will raise expectations that may backfire if the deficit of \$50 billion does not fall, and Congress will impose legislation that none of us wants."

Mr. Smith made his comments on the last day of a five-day visit to Japan, during which he met with top officials of Japanese companies associated with GM, as well as with Toyota Motor Corp.'s president, Shoichiro Toyoda.

He also said technological improvements would ensure increases in his company's U.S. and European market share despite intense Japanese competition.

"The race will not be won by who has the best plants but who has the best technology," he said. GM has a 35 percent share of the U.S. market, compared with 30 percent held by Japanese producers.

## MCI Agrees to Buy Telecom USA

**WASHINGTON** — MCI Communications Corp. agreed Monday to acquire Telecom USA Inc. in a \$1.25-billion transaction, sending Telecom's stock price soaring.

Separately, industry sources and analysts said they expected American Telephone & Telegraph Co. to take a minority stake in MCI's Telecommunications and a seat on the company's board of directors in exchange for its 3270-type terminal operations.

Under the MCI deal, which has been approved by the boards of directors of both telecommunications companies, MCI will acquire all outstanding shares of Telecom USA's common stock for \$42 a share. The transaction is subject to approval by Telecom's stockholders.

Telecom USA stock jumped \$16.25 to \$38.125 a share in heavy trading on the New York stock exchange. MCI declined \$1.125 to \$35.75 a share in national over-the-counter trading.

"The prospect of merging two dynamic, high-growth companies with similar cultures is very exciting," said Bert C. Roberts Jr., MCI's president and chief operating officer.

The proposed acquisition continues a pattern by MCI, which has increased its market share in part by buying smaller long-distance phone companies. In the last few years it has bought Satellite Business Systems, Western Union International and RCA Global Communications.

MCI, with 1989 sales of \$6.5 billion, is the second-largest U.S. long-distance phone company after AT&T. Telecom, which primarily serves the Southeast and Midwest,

is the fourth-largest. It had sales of \$713 million last year.

Analysts said they expected AT&T to announce the agreement with MCI early this week. They expect it to take a minority stake of about 5 to 10 percent. MCI would take over distribution and support of the terminals, which are designed like International Business Machines Corp.'s 3270 terminals. Industry sources, who asked not to be identified, said they expect the deal to add credibility to MCI's operations.

The deal "may allay some of the concerns about the high level of leverage in MCI's Telecommunications," said Bob Djurdjevic, president of Amex Research.

The strategic agreement would also boost the company's marketing efforts, Mr. Djurdjevic said.

(AP, Reuters)

## GM Chief Warns Japan To Raise U.S. Imports

**TOKYO** — The head of America's largest automaker warned Monday that Japanese companies should import more from the United States, or a new trade agreement could backfire.

After months of negotiations, the United States and Japan last week signed an accord aimed at opening Japan's market to more imports and cutting Japan's huge trade surplus.

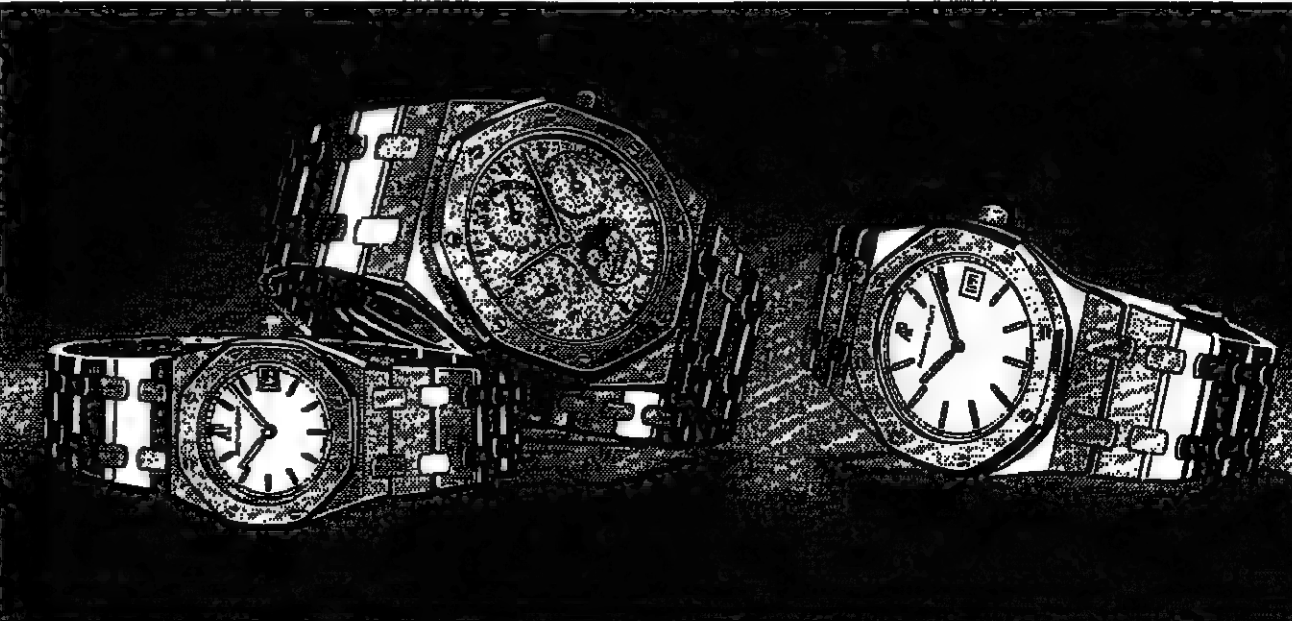
Roger Smith, the chairman of General Motors Corp., said the agreement "will raise expectations that may backfire if the deficit of \$50 billion does not fall, and Congress will impose legislation that none of us wants."

Mr. Smith made his comments on the last day of a five-day visit to Japan, during which he met with top officials of Japanese companies associated with GM, as well as with Toyota Motor Corp.'s president, Shoichiro Toyoda.

He also said technological improvements would ensure increases in his company's U.S. and European market share despite intense Japanese competition.

"The race will not be won by who has the best plants but who has the best technology," he said. GM has a 35 percent share of the U.S. market, compared with 30 percent held by Japanese producers.

## The Royal Oak.



One of the greatest designs of the 20th century.

**Audemars Piguet**

Audemars Piguet & Cie S.A., 1348 Le Brassus, Switzerland

## CURRENCY RATES

Currency	Per \$	Per 100	Per 1000
Australian dollar	1.312	131.2	1312
British pound	1.645	164.5	1645
Canadian dollar	0.712	71.2	712
French franc	6.55	655	6550
German mark	1.36	136	1360
Italian lira	2036	203600	2036000
Japanese yen	158.135	15813.5	158135
Netherlands guilder	2.20	220	2200
Swiss franc	1.48	148	1480
West German mark	1.36	136	1360

Source: Reuters. All rates are for New York closing rates. Rates for London and Zurich are for the London market. Rates for Tokyo are for the Tokyo market. Rates for Hong Kong are for the Hong Kong market. Rates for Singapore are for the Singapore market. Rates for Seoul are for the Seoul market. Rates for Taipei are for the Taipei market. Rates for Manila are for the Manila market. Rates for Jakarta are for the Jakarta market. Rates for Bangkok are for the Bangkok market. Rates for Colombo are for the Colombo market. Rates for Ceylon are for the Ceylon market. Rates for Malaya are for the Malaya market. Rates for Sumatra are for the Sumatra market. Rates for Celebes are for the Celebes market. Rates for Moluccas are for the Moluccas market. Rates for East Indies are for the East Indies market. Rates for West Indies are for the West Indies market. Rates for Caribbean are for the Caribbean market. Rates for Central America are for the Central America market. Rates for South America are for the South America market. Rates for Africa are for the Africa market. Rates for Asia are for the Asia market. Rates for Europe are for the Europe market. Rates for Oceania are for the Oceania market. Rates for Australia are for the Australia market. Rates for New Zealand are for the New Zealand market. Rates for South Africa are for the South Africa market. Rates for India are for the India market. Rates for Pakistan are for the Pakistan market. Rates for Bangladesh are for the Bangladesh market. Rates for Sri Lanka are for the Sri Lanka market. Rates for Nepal are for the Nepal market. Rates for Bhutan are for the Bhutan market. Rates for Tibet are for the Tibet market. Rates for Mongolia are for the Mongolia market. Rates for China are for the China market. Rates for Taiwan are for the Taiwan market. Rates for Hong Kong are for the Hong Kong market. Rates for Macau are for the Macau market. Rates for澳门 are for the Macau market. Rates for 香港 are for the Hong Kong market. Rates for 台湾 are for the Taiwan market. Rates for 中国 are for the China market. Rates for 蒙古 are for the Mongolia market. Rates for 西藏 are for the Tibet market. Rates for 尼泊尔 are for the Nepal market. Rates for 不丹 are for the Bhutan market. Rates for 锡金 are for the Sikkim market. Rates for 尼泊尔 are for the Nepal market. Rates for 不丹 are for the Bhutan market. Rates for 锡金 are for the Sikkim market. Rates for 尼泊尔 are for the Nepal market. Rates for 不丹 are for the Bhutan market. Rates for 锡金 are for the Sikkim market.

Other Dollar Values

Currency	Per \$	Per 100	Per 1000
Argentine peso	100	10000	100000
Brazilian cruzeiro	200	20000	200000
Chilean peso	100	10000	100000
Colombian peso	100	10000	100000
Czechoslovak koruna	100	10000	100000
Danish krone	100	10000	100000
East German mark	100	10000	100000
East German mark	100	10000	100000
East German mark	100	10000	100000
East German mark	100	10000	100000
East German mark	100	10000	100000

New York rates include 1% float rate.

Forward Rates

1.6895	1.6892	1.6892
Sources: Indusuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); Gasbank (ruble). Other data from various sources.		







## EC Probes Dumping Of Lighters

**BRUSSELS** — The European Commission's executive committee said Monday it had begun an inquiry into imports of disposable lighters from China, South Korea and Thailand after receiving a complaint from the European Federation of Lighter Manufacturers.

The Federation alleged that the Asian makers charge less for their lighters in the 12-nation European Community than they do in their domestic markets.

As a result, their share of the EC market has risen 153 percent since 1986, rising to 55.7 million sold in 1988 from 22 million sold in 1986.

This represents 22 percent of the market, valued at 7 million European currency units (\$9.47 million).

The Federation complained that imported lighters were sold in the EC at prices that are from 54 percent to 108 percent lower than those charged by EC makers.

It added that whereas the EC market had grown 11 percent between 1986 and 1988, EC makers' share of sales had dropped, bringing their market share down to 78 percent from 86 percent.

The Federation said the low-priced imports had forced EC makers to close three factories, lay off workers and suffer a drop in profits.

## Soviet Economic Changes Lag Official Says Planned Transformation Faces Obstacles

By Craig R. Whitney

**MOSCOW** — On the day he was to submit a package of proposed radical economic measures to President Mikhail S. Gorbachev, the Soviet deputy prime minister for finance was talking Monday of "drafts" and "possible alternatives," not a clear program of attack against what he acknowledged was a severe economic crisis.

Leonid I. Abalkin told a news conference that the measures, which will have to be approved by the newly elected standing legislature, or Supreme Soviet, would not include plans to replace the ruble with a new currency or to try any time soon to make it freely convertible with Western money.

Without a concerted plan to speed the timetable for introducing what he called a regulated market economy in the Soviet Union before the previously decided target date of 1995, Mr. Abalkin said, "the country has no future as a great power."

But he expressed doubt that the Supreme Soviet would accept the package quickly, even after Mr. Gorbachev approved it and submitted it for discussion. "If we introduced a bill on stock companies," he said, "it probably would not be adopted for six months."

Another Soviet official said privately that Mr. Gorbachev, who

called last November for "strict and unpopular measures" to invigorate the economy and promised them again on March 15 after he got sweeping new executive powers as president, was in danger of losing credibility on the issue unless he acted soon. Mr. Abalkin was to submit the package to Mr. Gorbachev tonight, he said.

Mr. Abalkin said last month that the package would be ready by the beginning of April and would include partial deregulation of prices, a new tax policy and unemployment benefits to protect those hurt in the transition.

He said Monday that parts of the program were still being drafted, that it would accelerate the six-year timetable the full national legislature had decided on only in December. He added it would take even more time to implement and oversee a regulated market economy than it did to run the centrally planned system that is now in ruins.

Other officials have let fragments of what is under consideration leak out, but without such essential details as whether they will be included in the final package. For example, Valentin S. Pavlov, the finance minister, told the Moscow Radio publication *Interfax* last week that the government was "prepared" to let foreign investors build factories on Soviet territory.

"We are prepared to sell them

some of our enterprises, which must be rebuilt or upgraded," he said.

Mr. Abalkin said nothing Monday about foreign investment, but he did say that in Soviet joint stock companies, state organizations would retain more than 50 percent of total shares. "We contemplate the free sale of shares to banks and cooperatives," he said. "But we may try to experiment with selling shares to physical persons and see how that works."

He said Soviet industrial production in the first quarter had fallen by 1 percent to 2 percent, compared with the last quarter of 1989.

Mr. Abalkin said the decline was partly caused by the conversion of some military plants to production of consumer goods. This Soviet equivalent of a peace dividend, he said, would provide the biggest single source of income to finance reconstruction of the economy.

**Iran Resumes Gas Exports**  
Iran resumed exports of natural gas to the Soviet Union Monday after a 10-year break. The Associated Press reported from Nicosia, quoting Tehran radio, that gas sales to the Soviet Union were halted in 1980 over a price dispute.

The broadcast said that according to agreements finalized Sunday, gas exports of eight million cubic meters per day, or three billion cubic meters per year, started Monday.

## Volvo Plans Asset Sales To Finance Its Links To Renault, Procordia

By David Bartal

**STOCKHOLM** — Volvo AB plans to finance its investments in Renault and Procordia AB by gradually selling off holdings worth 8 billion to 12 billion Swedish kronor (\$1.30 billion to \$1.96 billion), company executives said Monday.

Volvo, the Swedish carmaker, needs to raise about 12 billion kronor for its linkups with Renault, the French state-owned auto concern, and Procordia, the Swedish food and pharmaceuticals company.

"Even if you have a lot of cash, you can't raise 12 billion kronor just like that. Over the long run, we will have to divest something," said a high-ranking Volvo executive, who asked not to be further identified.

A report issued to Volvo shareholders Monday said that in order to finance planned large acquisitions, "AB Volvo intends to release capital from present low-yield assets in the future." Several sources within Volvo independently estimated that share holdings and property worth 8 billion to 12 billion kronor could be placed on the auction block over the course of the next few years.

The most likely candidates for divestment, Swedish financial analysts said, are Volvo's holdings in the investment companies AB Custos, Protrop Forvalnings AB and Investment AB Cardo, worth a total of about 7 billion kronor, as well as Saga Petroleum (1.8 billion kronor) and the Calsonic car retailing company (1.0 billion kronor).

The 21-page report by Volvo issued Monday was intended to persuade shareholders that the proposed alliance with Renault is in the best interests of the Swedish company. A shareholders meeting to vote on the deal is scheduled for April 25.

The Volvo-Renault amalgamation, to be accomplished through cross-shareholdings, would create the world's fourth largest auto concern, the world leader in heavy trucks, and the largest bus manufacturer in Europe. The French/Swedish concern would have combined annual sales of about \$45 billion.

Under a deal announced with Renault in February, Volvo is to buy 20 percent of the concern from the French government and has an option to increase its stake to 25 percent. Renault will buy 10 percent of Volvo on the open market.

Cooperation between the two companies in purchasing, research, and product development, would result in annual savings to Volvo of

800 million kronor over a two-year to five-year period, according to the report to Volvo shareholders.

If the partnership with Renault was completed last year, Volvo said, it would have increased 1989 profits by 19 percent, to 7.8 billion kronor, and boosted per share profits to 71 kronor.

In December, Volvo said it would join the Swedish government as a partner in a combination of three companies: Procordia AB, Pharmacia AB and Volvo's food company, Provender AB.

Procordia is to buy the two other companies, creating the largest Scandinavian food company and the biggest Swiss pharmaceuticals concern. Volvo previously owned 46 percent of Pharmacia.

As part of the link, Volvo is to buy in the Pharmacia shares it does not own, offering either Procordia stock or cash.

The merged Procordia is to have annual sales of about 37 billion kronor. It will consist of the Kabi Vitrum pharmaceuticals company and Procordia Foods.

## Bourse in Paris Rose to a Record For the 3d Day

PARIS

PARIS — The Paris Bourse ended at a record high for the third successive session on strong demand from foreign investors for blue-chip stocks.

The CAC-40 index ended at 2,083.90, up from Friday's record close of 2,069.89 and 2,076.75 at Monday's opening. The day's trading was volatile, as the index fell back by midday before recovering in mid-afternoon when Wall Street opened slightly firmer.

The broader CAC general index, based on opening prices, was at 547.70, against Friday's 542.47, but still below the year's high of 554.70 achieved on Jan. 5.

Peugeot rose 30 francs (\$5.26) to 891 and Thomson-CSF rose six to 149.

International investors have focused their attention on Paris as worries about the impact of German unity began to cloud the outlook for West German markets after their recent strong run. The nervousness on Japanese markets has also been a factor pushing foreign funds into French blue chips.

## Investor's Europe

Frankfurt Commerzbank	London F.T. 100 Index	Paris C.A.C. 40
2400	2450	2100
2350	2350	2000
2300	2250	1900
2250	2150	1800
2200		
2150		
2100		
2050		
2000		
1950		
1900		
1850		
1800		
1750		
1700		
1650		
1600		
1550		
1500		
1450		
1400		
1350		
1300		
1250		
1200		
1150		
1100		
1050		
1000		
950		
900		
850		
800		
750		
700		
650		
600		
550		
500		
450		
400		
350		
300		
250		
200		
150		
100		
50		
0		

Source: Reuters, AFP International Herald Tribune

## Negotiators Say Markets Not All Open

GENEVA

GENEVA — Negotiators at world trade talks warned Monday that efforts to agree on market-opening moves are lagging in major areas, including farm products and textiles.

The concerns surfaced at a meeting of the General Agreement on Tariffs and Trade.

India, Peru and Yugoslavia expressed concern at the slow pace of negotiations on textiles and clothing, a meeting source said.

A GATT summary on the state of the talks cited "general agreement" that existing exceptions to GATT's free trade rules for textiles and clothing should be phased out starting July 31, 1991.

On agriculture, Australia said that GATT delegates have "no clear perception of the way ahead."

## PEPSI: Company to Trade Soda for Ships and Vodka

(Continued from first finance page)

clude the Kentucky Fried Chicken and Pizza Hut restaurants.

"This deal is going to make the Soviet Union a very big business for us," said John Swannhaus, president of PepsiCo's Wines and Spirits subsidiary.

Pepsi consumption in the Soviet Union is small — about one 40-ounce can, or about the annual consumption of the Orlando, Florida, metropolitan area, with a population of about one million people.

Pepsi sells in the Soviet Union for the equivalent of 75 cents for an 11-ounce (330 milliliter) bottle.

Although the bottling plants are running at full capacity, Pepsi's business is limited by such basic things as poor roads and the availability of trucks, Mr. Swannhaus said. "There is no infrastructure in place if tomorrow you triple your business," he added.

In the new contract's most significant provision for the consumer product sector of the Soviet economy, PepsiCo will increase the num-

ber of bottling plants to 50, from 26, and moderate production.

The bottling plants each have an average annual capacity of about 1.5 million cases a year and have been running full throttle.

Because glass bottles are relatively expensive and cumbersome to deliver, the distribution of Pepsi in the Soviet Union is generally limited to within 20 miles or so of the company's bottling plants.

PepsiCo plans to introduce aluminum cans and plastic bottles in the next several years, which will make national distribution possible.

These lighter, disposable containers not only require less fuel for transportation but allow trucks to return from deliveries with other goods rather than cases of empties. The \$3 billion value of the contract represents retail sales of Pepsi-Cola and Stolichnaya vodka until the year 2000.

That figure assumes a devaluation of the ruble, which is not freely traded on world currency markets. Using Moscow's official exchange rate for the ruble, the deal's value is closer to \$9 billion: \$1.5 billion for

vodka and \$7.5 billion for Pepsi in the Soviet Union, officials said.

PepsiCo last year sold soft drinks in the Soviet Union worth about 300 million rubles, valued at \$500 million at government exchange rates. Stolichnaya sales in the United States totaled about \$156 million last year.

U.S. law prevents PepsiCo from operating restaurants where alcoholic beverages are served and importing alcohol, so Stolichnaya is sold in the United States through Monsieur Henri Wines Ltd., an importer.

The nonconvertibility of the ruble is a substantial obstacle in the Soviet Union's bid to import more consumer products because many Western companies insist on "hard," or convertible, currency.

PepsiCo's profit is also slight because it must keep a large support staff in the Soviet Union.

PepsiCo will use foreign exchange credits from the sale and leasing of the Soviet ships to provide some financing for two of its Pizza Hut restaurants scheduled to open in Moscow this year.

## FORD: Production Shift in Europe

(Continued from first finance page)

increased levels of efficiency and production for which we are planning, and if doubts about the reliability of supplies can be resolved, Bridgend and Swansea will be considered for further engine programs and other component work.

Ford said it would invest more than £2.2 billion in Britain over the next five years.

It said employees at the two south Wales plants and at Belfast, where some of the new engine components are to be manufactured, were assured that high volume production of engines would continue and that "significant" employment levels would be maintained.

Ford produces about 500,000 1.4-liter and 1.6-liter engines a year in Britain.

Rob Golding, an analyst with Warburg Securities, commenting on Ford's statements about unreliability of supply from Britain, said,

"They would have realized quite a few things about their vulnerability as a result of the last dispute."

But he also said changes in East Europe could have influenced the decision. "Germany is closer to Eastern Europe and a lot of the action on investment is going to be over there rather than in the U.K."

Gavin Lauder, an analyst at Kleinwort Benson Inc., said Ford's decision was bad news for small British suppliers.

But he said it would not affect large suppliers, such as T & N PLC, which would continue to sell valves, pistons and other parts to the West German plant through subsidiaries.

Mr. Lauder pointed out that Ford could face trouble in West Germany, where he said labor confrontations were expected this year over demands for a shorter work week.

## OPEC Output Is Highest Since 1981

Compiled by Our Staff From Dispatches

**NICOSIA** — OPEC member nations produced an estimated 24.09 million barrels per day of crude oil in March, their highest monthly output since 1981, the Middle East Economic Survey reported on Monday.

The influential weekly newsletter said that the March production was up from 23.62 million barrels per day in February and 23.32 million in January. Production in December was only slightly lower, at 24 million barrels per day.

The newsletter said that Iran showed the biggest production increase. Iranian output jumped 12.5 percent, to 3.15 million barrels per day, from 2.8 million barrels in February.

March was the first month since August that Iran has been able to produce at the level of its 3.14-million-barrel quota assigned un-

der the cartel's shared production system.

"Observers will be interested to see whether their level can be sustained in the coming months," said the newsletter. Export facilities were severely damaged during Iran's eight-year war with Iraq, but the government made repairs its first priority.

The Organization of Petroleum Exporting Countries' overall production level was well above the ceiling of 22.1 million barrels per day that the cartel had agreed on for production in the first six months of 1990. Some members, led by the United Arab Emirates and Kuwait, have been ignoring their production quotas and calling for their abolition.

Oil prices soared in January but have been gradually slipping since, falling in early March below the cartel's target of \$18 per barrel to about \$17.75 dollars for the aver-

age of a basket of seven crude oils.

In another price development, the newsletter added that Saudi Arabia had reduced its prices between 15 and 30 cents per barrel, depending on crude type, for delivery in Europe in May.

The newsletter said that the supply and demand for OPEC crude were "roughly in balance."

On the demand side, OPEC has had some good news with the publication of the latest revised forecasts from the Paris-based International Energy Agency last week, the newsletter said.

It said the combined effect of these revisions — an increase of 400,000 barrels per day in projected world oil consumption, coupled with a decrease of 200,000 barrels per day in non-OPEC supply for 1990 — has been to increase the 1990 demand call on OPEC crude by some 600,000 barrels per day. (AP, Reuters)

## Ermenegildo Zegna

Choose a fabric  
and then a model.  
Decide  
on the details you want  
and have your size  
checked out.  
In the matter of a month,  
you will have  
a suit tailored  
for you.

A Zegna  
made to measure  
suit  
is the measure  
of a man's style.



MILAN  
VIA P. VERRI, 3

LONDON  
37, NEW BOND STREET

PARIS  
10, RUE DE LA PAIX

LUGANO  
VIA RIVA VELLA, 12

NEW YORK  
743, FIFTH AVENUE

TOKYO  
2F ADYAMA TWIN TOWER

AND IN ALL MAJOR CITIES OF THE WORLD

## EURO FUNDS '90

Frankfurt Money Show

April 22-24, 1990

Frankfurt Airport Conference Center

Your gate to Finance Germany  
Strategic Alliances  
Sales Potential

## Euro-Dialogue in Fund Marketing

The new UCITS directive offers you easy access to the emerging German financial services

market — with European dimension on its West and the political fantasy on its East.

Ask for your programme and make your early reservations

Name

Company

Address

Phone/Fax

ECON Financial Communications Axel Schmidtke GmbH  
Weinckestr. 19, D-8000 Munich 40,  
Phone: 0 89 / 33 64 33, Fax: 0 89 / 34 26 94

ECON



# THERE IS NOTHING MORE EXPENSIVE THAN UNCERTAINTY — IN BUSINESS OR IN POLITICS...

AND WHEN THESE  
TWO WORLDS  
COLLIDE — as they  
regularly do in the  
continuing  
struggles over taxes,  
regulation, interest  
rates, and trade —  
the stakes are high,  
and the penalties for  
misjudgment are  
often fierce.

That's why you  
need your own copy of  
**The Age of Diminished  
Expectations: U.S. Economic Policy  
in the 1990s.** Published by The Washington  
Post Company and written by Paul Krugman of  
MIT, who's been called the most influential  
economist of his generation.

As definitive as the finest scholarship. As fo-  
cused and accessible as the best journalism. This  
first WASHINGTON POST COMPANY BRIEFING BOOK  
allows the busy executive a swift command of the  
forces driving U.S. economic policy.

Money and interest rates. Taxes and the  
budget deficit. Trade and the dollar. The Japa-  
nese challenge and the growth of economic na-  
tionalism.

On every front, Krugman challenges — and  
often explodes — the conventional pieties regard-  
ing America's economic performance. Debunk-  
ing partisan claims on all sides. And separating  
the convenient myths about America's economic  
performance from the sometimes awkward reality.

## LEARN WHY:

- An all-out trade war with Japan and the EEC  
would hurt the U.S. economy no more than a  
mild recession.
- Reducing inflation to zero, as many now  
advocate, would raise unemployment to an  
average of 7% for five years or more.
- Cutting the trade deficit without first reducing  
the budget deficit would drive up interest rates  
and start a new recession.
- Massive reductions could be achieved in  
Third World debt at relatively little cost.

## AND THAT'S JUST THE BEGINNING.

What's going to happen to the "peace  
dividend"? Why are foreign interests likely to  
own half our banking sector by the year 2000?

What's wrong with both the right-wing defense  
— and the left-wing criticism — of mergers and  
acquisitions? Where is Congress going wrong in  
the savings and loan bail-out? Why should we be  
skeptical of claims that more spending on plant  
and education will increase productivity?

The Age of Diminished Expectations also  
looks at three possible futures for America's  
economy in the 1990s:

**THE HAPPY ENDING** — where a productivity  
revival causes most of our existing problems to  
disappear.

**THE HARD LANDING** — where the rise of eco-  
nomic nationalism prompts a Latin American-  
style economic collapse and brings America to its  
knees.

**DRIFT** — where continued policy drift leads  
America to third-rank status in the world econ-  
omy.

There's no better way to master the complex  
issues driving U.S. economic policy — and to  
make sure that you are not caught unaware by  
future changes in that policy — than to have your  
own copy of this important work.

110 PAGES, 31 ILLUSTRATIONS, CLOTHBOUND.  
PRICE: \$195

**BRIEFING BOOKS**  
**THE WASHINGTON POST COMPANY**  
1150 15th Street N.W.  
Washington, D.C. 20071  
Telephone orders: 202/334-4256  
Fax orders: 202/334-5669

# THE US & EUROPE: COOPERATION, CONFLICT OR CRISIS

Co-sponsored by the  
**INTERNATIONAL HERALD TRIBUNE**  
**EUROPEAN COUNCIL OF AMERICAN CHAMBERS OF COMMERCE**

Paris, June 13-15, 1990

This major conference will take a new and hard look at the most critical issues and opportunities facing American and European business leaders within the context of the rapidly changing European economic and political environment.

Among the topics to be discussed will be US-European Trade Relations; Economic and Monetary Union; Trade and Investment Flows; Eastern Europe, the Soviet Union and the Single Market; The Outlook for Industrial Cooperation, and A Japanese Viewpoint of US-European Relations.

The Prime Minister of France, Michel Rocard,  
will be the guest speaker at the opening dinner on Wednesday, June 13, 1990.

## THE DISTINGUISHED GROUP OF SPEAKERS WILL INCLUDE:

Percy Barnevik, President & Chief Executive Officer,  
Asea Brown Boveri Ltd  
Edith Cresson, Minister of European Affairs, France  
The Rt Hon Sir Geoffrey Howe, QC, MP, Deputy Prime  
Minister, UK  
Gavin H Laird, Secretary General, Amalgamated En-  
gineering Union, UK  
Jacques de Larosière, Governor, Banque de France  
David McKinney, President, IBM Europe, France  
Robert E Mosbacher, Secretary of Commerce, United  
States  
Thomas M T Niles, US Ambassador to the European  
Commission  
Hisashi Owada, Deputy Minister for Foreign Affairs,  
Japan

The Rt Hon David Owen, MP, Leader, SDP, UK  
Sir Michael Palisser, Chairman, Samuel Montagu & Co  
Ltd, UK  
Vasso Papandreou, Commissioner for Industrial Re-  
lations and Social Affairs, EC  
François Perigot, President, CNPF, France  
Wolfgang Röllner, Chairman of the Board, Dresdner Bank  
AG, West Germany  
H O Ruding, Former Finance Minister, The Netherlands  
George Soros, President, Soros Foundations, United  
States  
Hans Tietmeyer, Member of the Board, Deutsche Bun-  
desbank, Former State Secretary, Ministry of Finance,  
West Germany  
\* Invited/Subject to confirmation

## REGISTRATION INFORMATION

The fee for the conference is US\$ 1,200.00. This  
includes the opening dinner, all lunches, cocktails  
and conference documentation. Fees are payable  
in advance and will be returned less a US\$ 100.00  
administration charge for any cancellation received  
in writing on or before May 30. We regret that there  
can be no refund should you cancel after May 30.  
Substitutions can be made at any time.

Simultaneous English/French French/English  
translation will be available throughout the confer-  
ence.

## CONFERENCE LOCATION

The conference will be held at the Hotel Inter-  
Continental, 3 rue de Castiglione, 75001 Paris,  
France.

## HOTEL ACCOMMODATION

A limited number of rooms are available at pre-  
ferential rates at Le Grand Hotel, 2 Rue Scribe,  
75009 Paris, France. To make your room reserva-  
tion, please contact Martine Tournier in the Reser-  
vations Department no later than May 11.  
Tel: (33 1) 40 07 32 32; Fax: (33 1) 42 66 12 51.

## REGISTRATION FORM

To register, please complete and return this form to: Jane Blackmore, Conference  
Office, International Herald Tribune, 63 Long Acre, London WC2E 9JH, England.  
Tel: (44 1) 379 4902; Fax: (44 1) 836 0717.

Conference fee: US\$ 1,200.00. (Payable in any convertible currency.)

☐ Check enclosed

☐ Please Invoice

Title \_\_\_\_\_ First Name \_\_\_\_\_

Surname \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ Country \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

104-90

## NYSE

### Monday's Closing

Tables include the nationwide prices up to  
the closing on Wall Street and do not reflect  
late trades elsewhere. Via The Associated Press

(Continued)

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close
12 Month	High	Low	Open	Close

## Legrand

The Board met on April 2, 1990 with Mr. François GRAPOTTE in  
the chair, to close the financial statements for 1989. The  
BTICNO Group is consolidated for the first time.

Consolidated figures (in FRF million)	1989	1988	%
Sales	8,715	5,816	+55
% generated abroad	57	38	+38
Net Income (Group interest)	620	595	+4
Working capital provided from operations (cash flow)	1,260	887	+42
Capital expenditures	753	430	+75

Excluding structural changes, i.e. without the consolidation of  
BTICNO Group, SIPE (Portugal) and POWER CONTROLS (USA),  
consolidated sales were up 12%.  
In view of these figures, the Board decided to



## AMEX

Monday's Closing  
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

12 Month High Low Stock Div Yld PE 52-Week High Low 4PM Close

## CREDISUEZ

## A YEAR OF STRONG EARNINGS GROWTH

Credisuez enjoyed a year of strong growth in earnings in 1989, with consolidated operating net income rising 27.6% to FF 270 million from FF 211 million a year earlier. Consolidated net earnings amounted to FF 272.7 million, or a 13% return on equity. Consolidated assets at yearend totalled to FF 79.29 billion.

Consolidated revenue rose by 68% over the year, to FF 4.5 billion, led by the increase in the company's interest in Fimigest and the full consolidation of La Hénin Vie. Gross operating income increased by 30% to FF 983 million from FF 753 million in 1988.

First-tier equity funds rose by 21% to FF 2.07 billion. Total shareholders' funds, including minority interests, subordinated debt and retained earnings amounted to FF 2.93 billion.

Total loans outstanding increased by 15% over the year, to FF 60.9 billion. By focusing on enhancing productivity and loan quality, Banque La Hénin and Banque Sofinco advanced credit originations by 7.5% and 12.4% respectively. Mutual fund assets managed by Banque La Hénin rose by 20% over 1988. Premiums written by Compagnie La Hénin Vie's life insurance and pension fund business climbed by 60% to FF 1.23 billion. Assets managed by Fimigest, a 45%-owned Credisuez subsidiary, increased by 23% to FF 10.7 billion.

## BELUX FUND

Société d'Investissement à Capital Variable

R.C. Luxembourg B 26775

Avis aux Actionnaires

CONVOCAZIONE

Nous vous prions de bien vouloir assister à l'Assemblée Générale Ordinaire de BELUX FUND, Société d'Investissement à Capital Variable, qui sera tenue au siège social, 10A, Boulevard Royal, Luxembourg, le Mercredi 2 mai 1990 à 15.00 heures.

et qui aura l'ordre du jour suivant:

1. Recevoir et adopter le rapport de gestion du Conseil d'Administration pour l'exercice clos au 31 décembre 1989.
2. Recevoir et adopter le rapport des Réviseurs d'Entreprises pour l'exercice clos au 31 décembre 1989.
3. Recevoir et approuver les comptes annuels arrêtés au 31 décembre 1989.
4. Affirmer la sincérité de la Société.
5. Donner quittance aux Administrateurs et aux Réviseurs d'Entreprises pour l'accomplissement de leur mandat jusqu'au 31 décembre 1989.
6. Réviser le mandat des Administrateurs et du Réviseur d'Entreprises pour un terme d'un an devant expirer à la prochaine Assemblée Générale Ordinaire des Actionnaires.
7. Divers.

La présente convocation et une formule de procuration sont envoyées à tous les actionnaires inscrits au 13 avril 1990.

Pour avoir le droit d'assister ou de se faire représenter à cette assemblée, les propriétaires d'actions au porteur doivent avoir déposé pour le 24 avril 1990, leurs titres, soit au siège social de la société, soit, aux guichets des établissements suivants, où des formules de procuration sont disponibles:

- en Belgique: Banque Belge du Travail S.A., World Trade Center, Boulevard Emile Jacqmain 162, B-1210 Brussels.

- en Luxembourg: Banque Paribas Luxembourg, 10A, Boulevard Royal, Luxembourg.

Les propriétaires d'actions nominatives doivent dans le même délai, s'adresser pour le 24 avril 1990, à leur intermédiaire financier pour l'assemblée.

Pour le Conseil d'Administration, J. Person, Directeur

## THE DREYFUS INTERCONTINENTAL INVESTMENT FUND N.V.

## Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Dreyfus Intercontinental Investment Fund N.V. (the "Fund") has been called by the Management and will take place at the registered office of the Fund, De Ryckelste, 52, Willemstad, Curaçao, Netherlands Antilles on May 10, 1990, at 11:00 o'clock in the forenoon. Shareholders of record at the date of business on Tuesday, March 20, 1990 will be entitled to receive notice of and to vote at the meeting.

## AGENDA

1. Consideration of the declaration of a dividend of \$0.02 per share to Shareholders of record on May 25, 1990.
2. Approval of Financial Statements for the fiscal year ended August 31, 1989.
3. The transaction of such other business as may properly come before the meeting, or any adjournment or adjournments thereof.

The foregoing items may be approved by a majority of the shares cast on each item. The Annual Report of the Fund containing the Financial Statements for the fiscal year ended August 31, 1989 has already been mailed to Shareholders, and copies may be obtained upon request from the principal office of The Dreyfus Intercontinental Investment Fund N.V., Post Office Box N 3712, Nassau, N.P., or from the offices of the Paying Agents listed below without cost set up to the Shareholders.

Holders of bearer shares will be admitted to the meeting upon presentation of their Certificates or presentation of a voucher which may be obtained from any of the Paying Agents.

Holders of bearer shares may vote by proxy by mailing a form of proxy and a voucher obtained from one of the Paying Agents to Mr. Neville Pearson, The Dreyfus Intercontinental Investment Fund N.V., c/o NatWest International Trust Corporation (Bahamas) Limited, Mutual Funds Department, P.O. Box N 7785, Nassau, N.P., Bahamas Islands. The form of proxy and voucher must be received by Mr. Pearson by May 9, 1990 to be voted at the meeting.

The Custodians of the Fund are the Bank of New York, 90 Washington Street, New York, New York, U.S.A. and NatWest International Trust Corporation (Bahamas) Limited. All inquiries should be directed to NatWest International Trust Corporation (Bahamas) Limited, Mutual Funds Department, P.O. Box N 7785, Nassau, N.P., Bahamas Islands. Inquiries may also be directed to Dreyfus GmbH, Mainkronstrasse 24, D-8000 Munich 22, West Germany, Tel. 089/22072, Telex 5/22992, Telefax 089/228549.

Bowling Green Company Limited  
Managing Director

## PAYING AGENTS FOR THE DREYFUS INTERCONTINENTAL INVESTMENT FUND N.V.

Morgan Grenfell & Co. Limited  
23 Great Winchester Street,  
London EC2P 2AX,  
England.

Deutsche Bank AG  
Große Gollustr. 10-14,  
6000 Frankfurt/Main 1,  
West Germany.

Bankgesellschaft  
2 Boulevard Royal,  
Luxembourg-Ville,  
Luxembourg 2205.

NatWest International  
Trust Corporation  
(Bahamas) Limited  
Mutual Funds Department,  
P.O. Box N 7785,  
Nassau, N.P., Bahamas Islands.



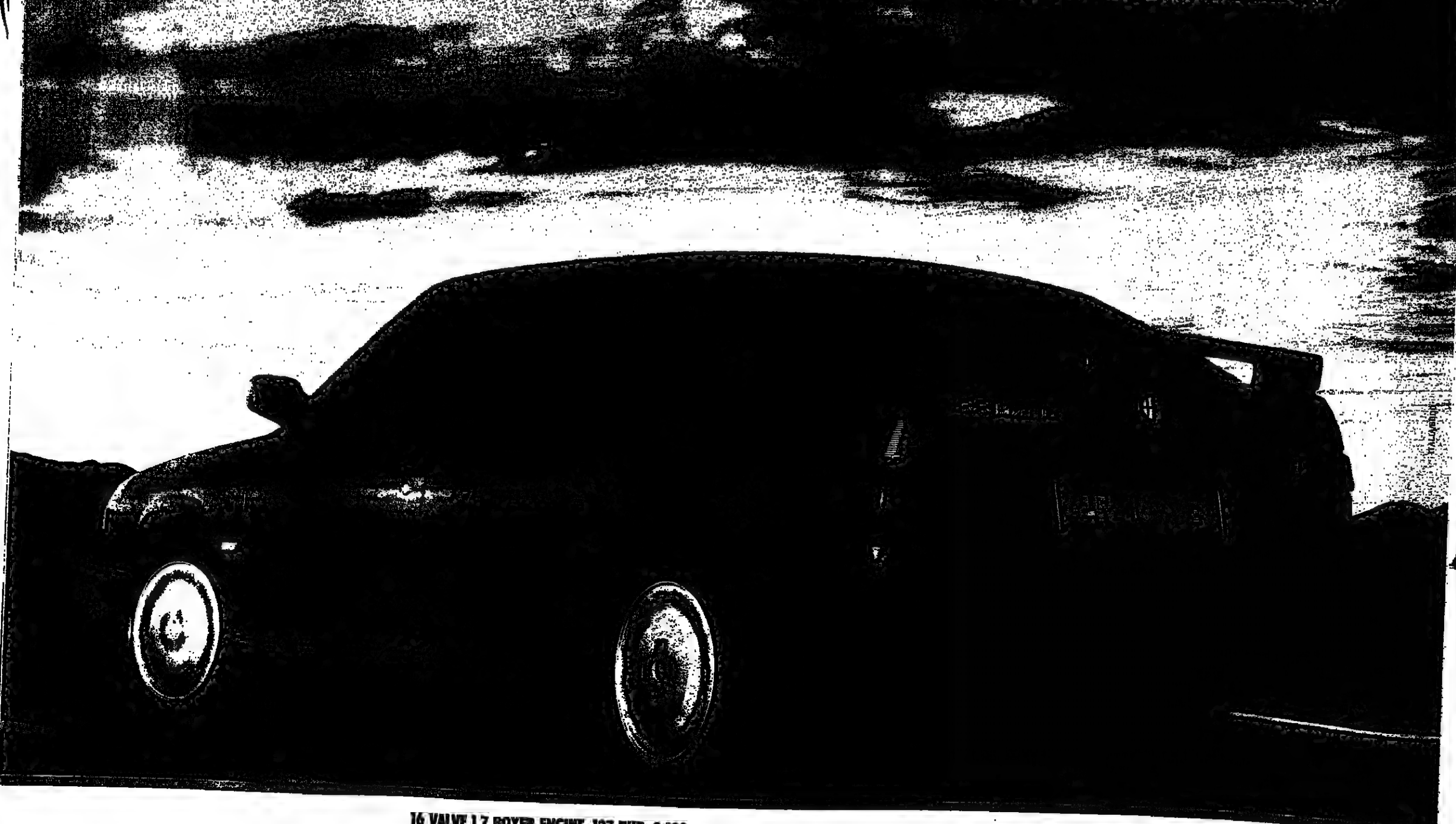
# NASDAQ

Monday's Prices  
NASDAQ prices as of 4 p.m. New York time.  
This list compiled by the AP, consists of the 1,000  
most traded securities in terms of dollar value. It is  
updated twice a year.

Symbol	Price	Change	Volume	Open	High	Low	Close
IBM	110 1/4	+1/4	1,200,000	109 3/4	110 1/2	109 1/4	110 1/4
Microsoft	68 1/2	+1/2	800,000	68 1/4	69 1/4	68 1/4	68 1/2
Apple	54 1/4	+1/4	600,000	54 1/4	55 1/4	54 1/4	54 1/4
Oracle	47 1/4	+1/4	400,000	47 1/4	48 1/4	47 1/4	47 1/4
Novell	42 1/4	+1/4	300,000	42 1/4	43 1/4	42 1/4	42 1/4
Lotus	38 1/4	+1/4	200,000	38 1/4	39 1/4	38 1/4	38 1/4
Hyperion	34 1/4	+1/4	100,000	34 1/4	35 1/4	34 1/4	34 1/4
Amgen	30 1/4	+1/4	100,000	30 1/4	31 1/4	30 1/4	30 1/4
Genentech	26 1/4	+1/4	100,000	26 1/4	27 1/4	26 1/4	26 1/4
Boehringer	22 1/4	+1/4	100,000	22 1/4	23 1/4	22 1/4	22 1/4

Symbol	Price	Change	Volume	Open	High	Low	Close
Alfa Romeo	15 1/4	+1/4	100,000	15 1/4	16 1/4	15 1/4	15 1/4
Ferrari	12 1/4	+1/4	100,000	12 1/4	13 1/4	12 1/4	12 1/4
Lamborghini	10 1/4	+1/4	100,000	10 1/4	11 1/4	10 1/4	10 1/4
Rolls Royce	8 1/4	+1/4	100,000	8 1/4	9 1/4	8 1/4	8 1/4
Bentley	6 1/4	+1/4	100,000	6 1/4	7 1/4	6 1/4	6 1/4
Rolls Royce	4 1/4	+1/4	100,000	4 1/4	5 1/4	4 1/4	4 1/4
Bentley	3 1/4	+1/4	100,000	3 1/4	4 1/4	3 1/4	3 1/4
Rolls Royce	2 1/4	+1/4	100,000	2 1/4	3 1/4	2 1/4	2 1/4
Bentley	1 1/4	+1/4	100,000	1 1/4	2 1/4	1 1/4	1 1/4
Rolls Royce	1 1/4	+1/4	100,000	1 1/4	2 1/4	1 1/4	1 1/4

## NEW 33. A NEW DIMENSION IN SPORTY DRIVING.



16 VALVE 1.7 BOXER ENGINE, 137 BHP, 0-100  
IN 8.2 SECONDS. MULTIPoint ELECTRONIC  
FUEL INJECTION. DIGITAL IGNITION. POWER  
STEERING. ELECTRONICALLY MANAGED 4  
WHEEL DRIVE. ABS. GALVANISED STEEL BODY.

**SPORTY DRIVING ENTERS A NEW DIMENSION.**  
The new 33 takes to the roads of Europe and presents  
a new concept in sporty driving. Born from the technical  
principles found in all Alfa Romeo projects, the  
new 33 exalts Alfa's legendary expertise with new  
technology in the engines and in the mechanical units.

The new design results in an even better CX. The road  
holding, active safety and performance are elevated to  
an even higher level. New trim, new technical and  
mechanical solutions offer total performance with  
the maximum of comfort. With the new 33, a new  
dimension of pleasurable, sporty driving is born.

Alfa Romeo is active across Europe, operating with a network of more than 2500 sales and service points.



Alfa Romeo











## SPORTS

Graf, Thumb Healed,  
Is Playing This WeekBy Robin Finn  
New York Times Service

HILTON HEAD, South Carolina — This has been an interesting winter for Steffi Graf, who is returning to the women's professional tennis circuit this week after a two-month layoff forced by a thumb broken while she was skiing in Switzerland.

First, she shed her inhibitions along with her sneakers and posed in form-fitting fashions for Vogue magazine, a move her father, Peter, felt would prove that his 20-year-old daughter was more than a dispassionate collector of tennis titles.

Then, in January, she collected another Grand Slam crown by winning the Australian Open for the third straight year.

She won the Pan Pacific tournament in Tokyo along the way and next took a vacation in St. Moritz, Switzerland, to benefit from a change of scenery and take advantage of an offer to appear in a feature film.

Two much tennis, Graf has said for the last couple of years, is a person on her sensibilities because she does not consider herself a one-dimensional person.

"I like to be separate from my tennis in my private life," she said last week from her home in Florida, where she was training for this week's Bausch and Lomb championships at Amelia Island, Florida.

"Tennis is a big part of my life, but it's not everything."

But it is tennis that has made Graf a celebrity, and whether she is skiing, modeling, acting or merely shopping, she is rarely free of onlookers.

On an icy mountainside in St. Moritz, Graf was mobbed by the photographers who seem to follow her every move in Europe. Trying to scurry away from her cross-country skis, she fell on her right thumb. The fall caused a bone chip.

The thumb was the same one that had required surgery after Graf fell on wet grass in an Australian Open practice session four years ago. A stunning career suddenly appeared in a very fragile state.

"I had realized it many times before," she said of the possibility of causing herself a career-ending injury with her own, and off-court athletics. "I knew it could have been easily over. I knew it would be critical."

But Graf consulted several physicians in Heidelberg, West Germany, and opted to wear a cast rather than have another operation.

From Feb. 6, the day she was injured, until early March, when the cast was removed, she concentrated on her recovery and largely ignored what was happening in her sport.

But two weeks after the cast came off, she resacquainted herself with her tennis racket and became eager to compete again.

Although Graf was not scheduled to compete until April 30 in Hamburg, she asked for and received a wild card into the draw at Amelia Island, and plays her first match there on Tuesday.

"It was a committee of Steffi, Steffi and Steffi," her agent, Phil dePicciotto, said of the accelerated comeback itinerary.

Graf said she entered the tournament, where Gabriela Sabatini defeated her in the 1988 and 1989 finals, because she believed she was ready not only to compete, but to win.

Her decision to get back into competition, she said, was not hastened by the rapid ascent through the rankings by teenagers such as Jennifer Capriati and Monica Seles.

"I'm not worrying about anything," Graf said. "I'm curious how I'll do, but not nervous."



Graf with her father, Peter. Curious but not nervous.

## The Day 2 Legends Met

New York Times Service

HILTON HEAD, South Carolina — Martina Navratilova, using her racket like a pointer and the tennis court as a blackboard, delivered 14-year-old Jennifer Capriati a heady lesson in composure in the final of the Family Circle Cup.

Navratilova controlled her own nerves and the youngster's boisterous baseline game for a 6-2, 6-4 victory. The 33-year-old Navratilova used the 19-year chasm that separates Capriati and herself in the wisest way: She played the sophisticated serve-and-volley style that has made her reputation as an ageless champion and let experience dictate to youth on Sunday.

"It was a learning experience for me as well as for her," said Navratilova, who found Capriati's penchant for blasting winners "nerve-racking" but called the youngster "refreshing."

"She's honest and forthright, but I don't think she was intimidated," Navratilova said. "She was respectful and that's how she should be. I know how I felt when I was 16 and played Evonne Gooolagang the first time."

The garrulous Capriati, who spent Saturday night at the film "Pretty Woman" in preparation for the second final of her professional career, was chosen to tongue-tied as the gets when she referred to Navratilova as "a legend, a legend" before and after their 73-minute confrontation. Navratilova returned the tribute by identifying Capriati as "a legend in the making."

"She's capable of hitting winners from more places on the court than anybody else except Monica Seles," said Navratilova. "She also misses more because she goes for broke. But at 14, you don't know any better, you just hit the ball as hard as you can and if it goes in, great. For her, if it misses, there's next week, there's the next 15 years."

## Red Sox Become the First Winners of 1990 Season



Bobby Bonilla of the Pirates bowled over the Mets' catcher, Barry Lyons, but didn't score in the second inning at Shea Stadium.

## Pirates Rout Gooden, Mets

The Associated Press

BOSTON — The new season looked just like the old one Monday at Fenway Park: Wade Boggs got three hits, Roger Clemens won and the Detroit Tigers lost.

Opening day, delayed after a lockout-abbreviated spring training, finally came and the Boston Red Sox began in style, beating Detroit, 5-2, in the first game of the year.

Boggs got the first hit of the season and finished 3-for-4 with a walk. His leadoff single in the first inning helped set up Dwight Evans' three-run double off Jack Morris, and Boggs singled in a run in the second.

Clemens held the Tigers hitless until Tony Phillips singled to start the sixth, and allowed three hits, struck out five and walked two. He retired the first two batters in the seventh and then left the game after throwing 101 pitches.

Rob Murphy pitched two innings and Lee Smith relieved with two on and two out in the ninth. Phillips got an infield hit that loaded the bases, but Alan Trammell, whose home run off Smith won the 1988 opener here, struck out.

Pirates 12, Mets 3: In the National League, in New York, Andy Van Slyke homered twice and drove in four runs as Pittsburgh ended the opening day magic for Dwight Gooden and the Mets with a 12-3 rout.

The loss snapped a streak of five

straight opening day victories for the Mets, who had not dropped a season opener at home since 1974 against Philadelphia. New York had won 18 of its previous 20 opening day games.

The Pirates pounded seven pitchers for 17 hits. Bobby Bonilla, who drove in three runs, Jay Bell and José Lind all had three hits. New York totaled three hits — including home runs by Howard Johnson and Barry Lyons — against winner Doug Drabek and four relievers.

Gooden made his first start since tearing a muscle in his right shoulder last July 1. He lasted 4 1/2 innings, allowing five runs on seven hits. The loss dropped his opening day record to 3-1 in five starts.

## ■ All Is Forgiven

Fans welcomed back baseball Monday with no sign of bitterness about the labor dispute that cut a huge chunk out of spring training and delayed opening day for a week. The Associated Press reported.

There were full houses at New York's Shea Stadium, Fenway Park in Boston and Kansas City's Royals Stadium. And about 35,000 fans braved rain in Chicago for the final opening day at Comiskey Park, the oldest stadium in the majors.

At Shea, Commissioner Fay Vincent threw out the first ball on a sun-splashed afternoon. "I am really excited," said Vincent, officiating at his first opener after six tumultuous months in office that began with the death of his friend

and then commissioner, Bart Giamatti, followed by an earthquake-delayed World Series and the labor battle.

"What a day," he said. "As a fan I'm excited, and being someone who is involved in it doubly excited. If it had not been for Bart, I wouldn't be here and that occurs to me."

In Boston, Tony Giamatti, widow of the former commissioner, threw out the first ball. She lobbed it to Red Sox catcher Tony Peña, who then returned it and embraced her.

Fans in both parks gave warm greetings to the players. The biggest ovation in Boston went to Bill Buckner, the goat of the Red Sox 1986 World Series loss to the Mets, who made the team in spring training as a 40-year-old nonroster player.

At Shea, the fans cheered slugger Darryl Strawberry, who spent a month in alcohol rehabilitation and expressed concern about how the home fans would greet him.

New York and Boston had perfect baseball weather — sunny skies and mild temperatures. In Kansas City, on a cool overcast afternoon, another sellout crowd was just as enthusiastic, happy to be done with discussions of contracts and arbitration eligibility.

"I'm tired of still hearing about it," said Pat Melcher. "You turn on the TV and it seems like all they talk about. It's over. Let them play. Why shouldn't we just enjoy the games?"

William Cullen, 63, explained the enthusiasm at Fenway. "They are making big money. But it's baseball," he said. "What are you going to do? People forgive them. We're Americans. You love a thing, you are going to go."

White Sox fans may have been attracted by a sense of history. Across the street from Comiskey, the team's home since 1910, work continued on a new stadium scheduled to open in 1991.

## ■ Orioles Pitcher Hurt

The Baltimore Orioles began the season Monday without their hottest pitching prospect, Ben McDonald, who was put on the 15-day disabled list. The Associated Press reported from Baltimore.

McDonald, baseball's No. 1 draft choice last June, was put on the 15-day disabled list retroactive to Friday and will be able to pitch April 22. He strained the lateral oblique muscle in his left side during a spring training game last week.

## 50 Years Ago, in Rural Iowa, a Field of Dreams Came True

By George F. Will

Washington Post Writers Group

WASHINGTON — Van Meter, Iowa, has 747 residents and no traffic light. In the 1930s it had about 300 residents and was a good place to grow up, listening to a Des Moines sportscaster named Dutch Reagan and watching trains rumble west carrying beams from Indiana steel mills, the beams bearing banners proclaiming their destination: "The Golden Gate Bridge, San Francisco." One Van Meter boy was bound for glory, and got a fluster of it 50 years ago this week on Chicago's south side.

Correct thinkers think that "baseball trivia" is an oxymoron: Nothing about baseball is trivial. But connoisseurs of, shall we say, arcane adverbs, shall we say, the occasion when every player on a major league team had precisely the same batting average before and after the game. It was April 16, 1940, when Bob Feller of the Cleveland Indians pitched a no-hitter against the Chicago White Sox on opening day. All the White Sox were batting .000 before and after the game.

Feller, a baseball prodigy, was a major leaguer before he was old enough to shave, a major leaguer who returned to his hotel to do high-school homework. On July 6, 1936, af-

ter his junior year and four months before his 18th birthday, he pitched for the Indians in an exhibition against the St. Louis Cardinals. His first pitch was a called strike. The batter turned to the catcher and said, "Let me out of here in one piece." The batter had just seen — sort of — the fastball that later would cause a batter (Hall of Fame wit and pitcher Lefty Gomez) to say, after taking a called third strike with his bat on his shoulder, "That one sounded a little low."

In September 1936, before returning to high school for his senior year, the 17-year-old "phenom" broke the American League single-game record and tied Dizzy Dean's major league record by striking out 17 Philadelphia Athletics, thereby becoming the only pitcher to ever achieve as many strikeouts in a game as he was years old. This and the rest of Feller's career, recounted in his memoir, "Now Pitching: Bob Feller" (with Bill Gilbert), illustrates the axiom. "As the twig is bent..."

In the movie "Field of Dreams" (and the novel on which it is based, W.P. Kinsella's "Shoeless Joe"), an Iowa farmer and baseball fanatic hears a voice from the sky say, "If you build it, he will come." The farmer inexplicably but correctly intuiting this message

to mean that if he builds a ballpark, Shoeless Joe Jackson will return from the dead.

The farmer does, and Joe does, saying, "This must be heaven." The farmers replies, "No, it's Iowa."

No, this is Iowa: Bob Feller's father, a farmer, built his son a ballpark — felled trees, leveled a pasture, erected bleachers. He even switched other fields from corn to wheat because wheat took less time to harvest, leaving more time for baseball.

(Fathers, in Commerce, Oklahoma, at dusk after days in the zinc mines, a father makes a switch-hitter of the boy he named after his hero, the Detroit Tigers' catcher, Mickey Cochrane. The father is Mutt Mander.)

Feller, with Ted Williams and Joe DiMaggio (they were 20, 21 and 24 respectively in 1939) were baseball's golden trio on the eve of the war that was to consume what could have been their most productive years. After Pearl Harbor, Feller immediately enlisted in the Navy, chafed under a stateside assignment with a physical-fitness program, then became chief of an anti-aircraft gun crew on the battleship Alabama, which had a population about 10 times that of Van Meter. In two years, the Alabama steamed many thousands of miles and won eight battle stars for participating in eight Pacific landings.

Italy Will Bar  
'Undesirables'

Reuters

ROME — Soccer hooligans will be identified in advance and stopped at Italy's borders before the World Cup soccer finals this summer, a senior interior ministry official said Monday.

"We will be able to kick out the undesirables at the border," Giancarlo Ruffino, the ministry's under-secretary, told the Rome daily Il Tempo.

The interior ministry is in charge of security for the World Cup. "We know that the most violent are 300 to 400 strong," Ruffino said.

He said the security operation would start outside Italy with aid from police forces in 23 other participating countries and would continue with preventive measures at arrival points.

He said suspected hooligans would be monitored from a week before they left for Italy and on arrival, mainly in Genoa where English and Dutch fans are expected on their way to Sardinia, the venue for England's first round games, and the Netherlands' base in Sicily.

The English and Dutch fans are considered the most likely to create trouble during the competition.

Goals in Overtime Put Kings  
Ahead and Blues in Command

The Associated Press

The Los Angeles Kings and St. Louis Blues both worked overtime in the National Hockey League playoffs and it paid off.

Tony Granato scored with 5:37 gone in overtime to give the Kings a 2-1 victory over the Calgary Flames on Sunday night in Inglewood.

## NHL PLAYOFFS

California, and Sergio Momesso scored at 6:04 as the Blues beat the Maple Leafs, 6-5, in Toronto.

"It was a great hockey game to be involved in," Granato said after getting the first short-handed overtime goal in Stanley Cup history. The victory gave the Kings a 2-1 lead in their first-round Smythe Division series against the defending Stanley Cup champions, who had eliminated them from the playoffs last year.

The Kings were rejuvenated by the return of Wayne Gretzky, who had missed seven games with a back injury. He didn't waste much time, setting up a goal by Tomas Sandstrom 23 seconds into the second period.

Kings goaltender Kelly Hrudey had a shut-out until giving up a goal by Joe Mullen with 5:55 remaining in regulation. The Kings then pulled it out on Granato's dramatic goal — finally solving Mike Vernon after 48 minutes, 13 seconds.

"I didn't have much room, so I thought I'd

try something and I got him going down," Granato said of Vernon.

Jets 2, Oilers 1: Dale Hawerchuk scored with less than five minutes left to give Winnipeg the victory over Edmonton and a 2-1 lead in their series.

The veteran center scored his third goal of the playoffs at 15:30 of the third period, snaring an errant clearing pass in the Oilers' zone and whipping a 20-foot (6-meter) screened wrist shot past goaltender Bill Ranford.

The Jets outlasted the Oilers, 30-16, but had trouble beating the often spectacular Ranford.

## NORRIS DIVISION

Blues 6, Maple Leafs 5: Momesso used defenseman Tom Kurvers as a screen and fired a slap shot from the blue line that went between the pads of goaltender Allan Bester. It came less than a minute after Bester stopped Brett Hull on a solo rush down the right wing.

The Blues forced the overtime by scoring twice in the final 2:52 of regulation. Rob Ramage's slap shot deflected off defenseman Mike Lalor and beat Curtis Joseph at 17:08 to make it 5-4. Tom Fergus tied it with a 15-foot backhand shot at 18:00.

The Blues put the Maple Leafs on the brink of elimination. St. Louis holds a 3-0 lead in the series and needs only to win Tuesday night to gain the division final.

Blackhawks 2, North Stars 1: In Bloomington, Minnesota, Steve Larmer ended a scoreless



Harold Snepsts fell over a Blues teammate, goalie Curtis Joseph, in the third period.

tie with 9:48 to play as Chicago beat Minnesota to regain the home-ice advantage in their series.

The North Stars thought they had tied the score about 1 1/2 minutes later, when Dave Gagner poked a rebound past Greg Millen. But the referee said the puck did not cross the goal line.

## SCOREBOARD

## BASKETBALL

## NBA Standings

## EASTERN CONFERENCE

## Atlantic Division

	W	L	Pct	GB
Philadelphia	49	27	.643	0
Boston	44	32	.577	5 1/2
New York	43	33	.564	6 1/2
Washington	39	37	.513	10 1/2
New Jersey	17	59	.224	31 1/2

## Central Division

	W	L	Pct	GB
Detroit	51	25	.673	0
Chicago	49	27	.643	2 1/2
Milwaukee	40	36	.526	14
Indiana	38	38	.500	16
Cleveland	34	42	.447	20 1/2
Atlanta	25	51	.327	29 1/2
Orlando	17	59	.224	37 1/2

## WESTERN CONFERENCE

## Midwest Division

	W	L	Pct	GB
Utah	51	25	.673	0
San Antonio	49	27	.643	2 1/2
Denver	42	34	.553	8 1/2
Portland	37	39	.487	13 1/2
Phoenix	34	42	.447	16 1/2
Los Angeles	25	51	.327	25 1/2
Golden State	17	59	.224	33 1/2

## Pacific Division

	W	L	Pct	GB
L.A. Lakers	57	17	.769	0
Portland	52	22	.703	5 1/2
Phoenix	49	25	.662	8 1/2
Seattle	37	37	.500	20 1/2
Golden State	34	42	.447	23 1/2
L.A. Clippers	29	47	.387	28 1/2
Sacramento	22	54	.294	35 1/2

## SUNDAY'S RESULTS

	W	L	Pct	GB
Detroit	101	99	.505	0
Cleveland	101	99	.505	0
Washington	101	99	.505	0
Golden State	101	99	.505	0
Orlando	101	99	.505	0

## HOCKEY

## NHL Playoffs

## SUNDAY'S RESULTS

	W	L	Pct	GB
Edmonton	101	99	.505	0
Winnipeg	101	99	.505	0
Calgary	101	99	.505	0
Los Angeles	101	99	.505	0
San Jose	101	99	.505	0

## BASEBALL

## SUNDAY'S EXHIBITION RESULTS

	W	L	Pct	GB
Los Angeles	101	99	.505	0
San Francisco	101	99	.505	0
San Diego	101	99	.505	0
Los Angeles	101	99	.505	0
San Jose	101	99	.505	0

## GOLF

## World Rankings

	W	L	Pct	GB
Greg Norman	101	99	.505	0
Nick Faldo	101	99	.505	0
Severiano Ballesteros	101	99	.505	0
Sam Snead	101	99	.505	0
Jack Nicklaus	101	99	.505	0

## CRICKET

	W	L	Pct	GB
West Indies vs. England	101	99	.505	0
Sri Lanka vs. Bangladesh	101	99	.505	0
India vs. Australia	101	99	.505	0
South Africa vs. New Zealand	101	99	.505	0
England vs. Pakistan	101	99	.505	0

The Houston Astrodome,  
World's Oldest, Turns 25

By Thomas Rogers

New York Times Service

NEW YORK — A 25th anniversary party was being observed in grand Texas style Monday night in Houston's Astrodome. The world's first domed stadium opened on April 9, 1965, with the Houston Astros defeating the New York Yankees, 2-1, in an exhibition baseball game before 47,876 fans, including President and Mrs. Lyndon B. Johnson.

Mickey Mantle delivered the first hit in the Astrodome, a game-opening single to center field, and he belted the first indoor home run, off Dick (Turk) Farrell.

Among the original participants were to be the former Yankee manager, Ralph Houk, and such former Yankee players as Bobby Richardson, Clete Boyer, Tom Tresh and Joe Pepitone, as well as one of the most famous Astros, Jimmy Wynn.

Pieces of a giant birthday cake were to be handed out to fans. All the hoopla was to honor what Texans once called the Eighth Wonder of the World, a structure built for \$31.6 million.

The Astrodome eliminated the rain check and, because grass could not grow in it, introduced AstroTurf, the first artificial surface.

Other novelties were luxury sky boxes, a constant temperature of 72 degrees Fahrenheit (22 degrees centigrade) and a scoreboard that featured a message board and a television screen.

Its inspiration came to Judge Roy Hofheinz while at the Colosseum in Rome. He learned that a velarium, or awning, had been pulled over the amphitheater by slaves and machinery in bad weather. That principle seemed to be the solution for Houston's losing battle against heat, humidity and mosquitoes.

He was right. In grand Texas style.



